The Financial Post

Canada's National Weekly of Business, Investment and Public Affairs.

Vol. XLIV — Member of Audit Bureau of Circulations — Publication Office: Toronto, February 18, 1950 — Fifteen Cents an Issue, Five Dollars a Year — No. 7

Sun Life's New President

George W. Bourke this week took over the presidency of the Sun Life Assurance Co. of Canada which at its 79th annual meeting in Montreal reported over $4 billions of business in force, representing 1.6 million policyholders, with over $1.5 billions of assets. Mr. Bourke has been with the Sun Life all his business life, since 1947 as vice-president and managing director. (Personality sketch on p.6).

THE NATION'S BUSINESS

Let's Not Be Panicked By the Gloomsters

There's going to be a lot of dangerous stuff talked about the economic situation in Parliament this session. Some of it will come from government-side back benchers, but most of it will come from the Opposition groups. The Socialists and the little clutch of Social Crediters are, of course, intent upon destroying the economic system. The Conservatives are, of course, intent upon destroying the government.

This campaign to paint the economic situation as black as possible isn't good news for Canadians.

Actually, of course, there's nothing in the present economic situation to cause national excitement or alarm.

Whooping up gloom will, however, have its adverse effect on business decisions which make for more prosperity or less.

An equally dangerous effect of this gloom campaign is going to be the pressure on Parliament to undertake projects and policies which are an improper and ill-timed use of taxpayer money.

A lot of the politicians are only too keen to find more ways of spending money because nearly every expenditure creates some faithful votes. Few politicians have much fortitude in standing up to hand-out and spending demands.

So the coming session looks pretty ominous for the taxpayer. The MP's who specialize in panic-mongering will be engaged in a pretty shameful misuse of their responsibilities.

* * *

Here's Significant Progress

That some of the world's most advanced work on airplane manufacture and development is being done in Canada will be news to most. So the article on page 17 is an eye-opener.

A. V. Roe's operation at Malton has, in the words of an aviation expert, "put Canada right up front in doing the important things in aircraft development today."

Being produced here is the Jetliner transport plane which recently did its first flights and only a few weeks after the first flights of the only other jet airliner, de Havilland's British-made Comet. The U. S. hasn't started on one of these yet.

The quiet, vibrationless, enormously fast jet promises to revolutionize civilian airline equipment and operation, and salesmen for this new Canadian product will soon be at work in United States, Britain and Europe.

The brand new Avro two-jet engine fighter is the most powerful of its kind in the skies anywhere, except perhaps over Russia about which nobody actually knows.

The new turbo-jet engine has the aviation world all agog with its possibilities. Defense people are very much interested too because in event of more trouble, Canada will be able to produce these sensational new power plants which before long will replace piston engines for most aircraft purposes.

Important as these developments are to the world of aviation, they have important supplementary values.

Canadian engineers are getting an opportunity to learn and to do fundamental pioneering work in a field growing enormously.

Because of the Avro policy of "make it or have it made in Canada," various ancillary Canadian enterprises are learning how to do new things.

The Malton performance is of top significance to our country.

* * *

Have Trade Key in Our Own Hands

In his New York speech last week, Prime Minister St. Laurent bluntly outlined the steps North America must take if the trade problems of the world are to be solved. It is all very well to talk about removing the barriers between the countries of Europe, said Mr. St. Laurent, but that is not enough. The great markets of this continent must also be opened.

The Canadian Prime Minister put it this way:

"We can not afford to lose sight of the fact that it is even more important to the economic strength of the free world that the European countries, and, indeed all countries suffering from a dollar shortage, should also be able to export as freely as possible to North American markets.

"It is, after all, only by accepting imports from other continents that we on this one can hope to reduce the real cost to ourselves of our contribution to the common security.

"And it is only by accepting imports that we can hope to provide stable and profitable markets outside our continent for those surpluses beyond our own needs which both countries do actually produce."

While Mr. St. Laurent included Canada in his recommendation, obviously it was mainly the United States he had in mind. It is perfectly true that we must be prepared to accept still larger imports from Europe. We must do this even if it means some sacrifice of certain lines of domestic production for which we are not as well fitted as Europe. But in comparison with the United States, Canada has gone very much farther in opening its doors.

Our imports from Europe, on a per capita basis, greatly exceed those of the U. S. If by reducing tariffs, invisible as well as visible, American consumers could be induced to buy as freely of Europe, then the need for Marshall Aid, with its heavy expense to U. S. taxpayers, would disappear almost overnight. Only a few billion dollars in additional sales by Europe to the United States, or the equivalent of 2% to 3% of the total U. S. domestic market, would balance the present trade.

Surely that would be an insignificant price to pay for putting Europe on its feet and off the backs of the American taxpayer. It would also give the world some real hope that ultimately Europe would again become strong enough to look after its own primary military protection.

Buyers' Market Here In New, Used Cars?

Prompt Delivery, Higher Trade-in Allowances, Speed on Special Orders Are Some of the Signs as Trade Prepares For the Spring Rush

By RONALD WILLIAMS

The automobile business, one of the last two strong holdouts against the general trend toward a buyers' market (steel is the other) is finally showing signs of giving in.

Some of the signs:

Supply is catching up fast with demand. In some cases, it has caught up. Prices are going down. Used-car prices are already down anywhere from 25%-40% from last fall but are expected to firm by spring. Trade-in allowances are higher. Brand new Fords can be bought at $200 discount on a Toronto used-car lot.

In detail:

Prices: Hefty cuts by Studebaker and Hudson are looked on as the first competitive push for spring sales. Nash and Kaiser-Frazer are bringing out lower-priced cars. So far, there has been no indication that any of the "Big Three," Ford, Chrysler or General Motors, will follow suit.

Trade-ins: Whether there are outright price cuts or not, the motorist with a car to trade in can expect a better deal for his new job. Many dealers have upped trade-in allowances, thereby giving what amounts to an indirect price cut. Better deals are being offered all around. Dealers who used to look for two profits — one on the new car and also on the trade-in — are now satisfied with one. In the case of trucks, some dealers have been giving out-and-out discounts of as much as 15%.

Inventories: For the first time since the war, many dealers are carrying substantial stocks of new cars. Some have also been offering up to 10% and 15% discounts to move 1949-carryover stock when 1950 models were coming out. This applies to nearly all makes, not just one line. A 1949 Oldsmobile, for example, was offered 10% below list. Both these practices were considered normal prewar. It was not considered abnormal to carry a 30-day supply. Since then dealers have been able to avoid the cost of carrying a heavy inventory.

(Continued on page 3, col. 4)

PRICES

Western lumber and millwork rising with weather-caused short supply; eastern supplies ample, prices steady.

Wholesale food price index of Dun & Bradstreet in U. S. advanced third successive week, rising 1c. week ended Feb. 7 to $5.80. First time since Aug. 31, 1948, has been above level of previous year.

Florida citrus juice boom has raised oranges from recent $2 a box to $3.25. Quoted at $3.75 for 48-oz. size, orange juice will rise to $4.50 before season's end, says one packer. Highest price in history was $4.90, unsweetened. Lemons dropping as U. S. imports from Italy grow.

Peanut butter expected to turn down in some brands as inflow of Indian peanuts increases. Virginia peanuts around 21½-22c lb.; Mexican two, three cents lower; Indian peanuts, 12c-13c.

Some paint materials may be affected by better supplies predicted; linseed oil, titanium, lithopone steady.

Soap prices decline of about 20% over two, three months levelling out, observers believe, as coconut oil up to 7c lb., tallow oil to 5c lb. again.

British, European chemicals may drop as becoming more available than anytime postwar.

Coffee prices advanced by several chains on own brands. Hike 5c lb. since Feb. 1 to 79c.

Fancy tomato juice in cans firm with reduction in 1949 pack, last year's shortage in citrus juices. Few quotations under $1 doz. f.o.b. factory, some up to $1.10, says Canadian Grocer (Maclean-Hunter).

Rubber prices moving up in New York, Singapore, London, world markets as concern about Communist influence in the East grows.

Tin cans cheaper to canners, with weak basic price of tin plate.

World sugar market a 20-year high; no marked changes in prices seen for this year.

Will Congress Help Canada On Arms Deal?

OTTAWA (Staff) — Canada's long-extended pressure to get the dollar sign removed from North American armament transfers received a push at the highest level last week when Prime Minister St. Laurent spoke bluntly to Americans at a meeting of the Canadian Society of New York.

There's no word here yet as to the likely outcome of this direct appeal, but hopes are still high that the present session of Congress will adopt new legislation to put Canada-U. S. arms purchases on a completely reciprocal basis.

In his New York speech, Mr. St. Laurent argued unblushingly for a proper "business arrangement." He said: "In the past decade we have experienced what is almost an industrial revolution in Canada; but by the standards of your nation of 150 million people our industry is still on a small scale.

"The production of the whole range of modern armaments on a large scale is obviously beyond our capacity. What we must have if we are to make our most effective contribution to joint security is specialization in the manufacture of a limited number of items coupled with the kind of reciprocal arrangements we had during the war.

"Under the so-called Hyde Park Declaration of 1941, each country produced for the other those armaments it was best fitted to produce. Each of us paid hard cash for the other's product but we were better able to pay you because we were able to sell munitions and weapons to you. The Hyde Park arrangement involved no loans, no gifts, no charity—

(Continued on page 3, col. 3)

Canada Fights U.S. On Free Gold Bid

Open Market Could Hit $35 Price, Divert Dollars From Other Exports, Result in Buying For Hoarding, Ottawa Says—Backed by U. K.

By KENNETH R. WILSON

OTTAWA (Staff)—Behind closed doors in Washington the highly explosive issue of whether or not there is to be a free world market for gold is presently under review.

Canada, it is understood, has taken a strong stand against a free market. In this it is expected the United Kingdom will support the Canadian view — despite the fact that South Africa is the chief exponent of the free market plan.

United States opinion is believed to favor opening the market for gold, the argument being that it is foolish to try to enforce a regulation that is unforceable. The chief issue will probably be whether or not Canada, United Kingdom and certain sterling area countries can persuade the United States and Latin American nations that a free market wouldn't really work in the best interests of all concerned.

The free market issue is now being joined around the council tables of the International Monetary Fund. Since last year a study of the matter has been under way. The study is now completed and has been submitted "informally" to the executive directors of the fund. Since the matter is highly controversial and explosive, it is expected that it will be several weeks before a decision will be reached. Technically, the report does not have to be made until the Fund governors meet again next September. But is is unlikely that decision will be postponed that long.

$300 Millions "Free" Sales

According to a "responsible estimate" quoted recently by the Whaley-Eaton service of Washington, something like $300 millions is said to have flowed into the free gold market last year.

The question of what to do about this free market was raised openly last September when South Africa proposed a legal free market for half her current production. The United States, through Secretary of the Treasury Snyder, vetoed this plan but agreed to have a study made through the Fund. Meanwhile South Africa and certain Latin American countries are in fact side-stepping Fund regulations by various deals involving use of gold for so-called "ornamental" purposes. This has been going on for some time and is argued as something very hard to stop. Thus the point of view at Washington that argues for coming into the open and "legalizing" the so-called free market transaction.

The Canadian view is very strongly opposed to any such action.

It is argued that to give the blessing of the Fund to free market transactions would almost immediately drive the "free" price of gold down to or near the present $35 U. S. price. Annual production of say $600 millions of gold would quickly mop up the present "free" demand, it is argued.

(The current free market price of gold is said here to have dropped to about $39 in recent weeks. This is in part because of the withdrawal of Chinese demand and the fact that since the overthrow of the Nationalist Government, China has on balance been a seller, not a buyer, of Gold).

Increased Asia Demand?

What's feared in Canada is that with free gold selling at or near $35 an ounce, there would be a substantially increased demand from people in Asia and elsewhere who tend to hoard gold.

This means that U. S. dollars which are now available to buy Canadian and North American golds would be diverted in increasing amounts into the hoarding of gold. Thus the present

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Inside News

Will Jet Gamble Pay Off?
Have we secured a commanding lead in North America in jet production? The Post presents an exclusive recorded interview with Sir Roy Dobson, president, A. V. Roe, Canada, Ltd., jet pioneers in Canada (p. 17).

Avoiding Tax Trouble
How do postwar changes in the Income Tax Act affect you? What do changed exemptions, amended regulations, simplification of appeal procedures mean to you? The first in a new Post series on income tax, pointing out the changes and their effect in typical cases. (p. 17).

U. K. Election Scene
Plenty of humor, lots of heckling, but little color. That's the way Adelphi sees the U. K. election. It will be a close thing, he predicts. London Calling (p. 19).

Our Changing Market
What do wartime and postwar changes that have brought Canada a more "mature" economy mean to marketwise planners? An analysis of the shift in occupations in the third in The Post's national market survey series (p. 25).

Next Governor-General?
The term of office of the Governor-General, Viscount Alexander, can end this year. Who should be next to occupy Rideau Hall? The Question (p. 8).

Food Trade Ups, Downs
A recent DBS survey shows that net profits of food stores, in proportion to sales, are getting back to prewar levels. Failures in the food industry are on the increase. Two significant stories for the industry and business generally (p. 12).

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Jobless Insurance Changes Key of New Ottawa Plan?

OTTAWA (Staff) — Members of Parliament return this week to make loud noises about three things: unemployment, farm prices and external trade.

Most serious "beef" will probably be the continuing upswing in unemployment.

Official figures by the Department of Labor show 323,000 persons looking for jobs through the National Employment Service on Jan. 12. This is 6% of the labor force in Canada. By regions, this ratio showed wide variation. The percentage on the Pacific Coast was 12.6. In the Maritimes 8.4. In Quebec 7.1. Only Ontario and the Prairies were below the national average, with 4.6% and 4.5% respectively.

But since this Labor Department survey was made, the situation has deteriorated.

Most recent estimate of persons looking for jobs (unplaced applicants registered at National Employment Bureaus) is 375,000 as at Feb. 2. This would be 7.2% of the Canadian labor force. It would be 10.4% of the more realistic figure of total Canadian wage earners. On the basis of this figure, it is further estimated that the total number of unemployed presently in Canada may be close to the 400,000 mark.

As indicated by earlier official figures (The Financial Post, Feb. 4), the incidence of this employment varies widely throughout Canada. It is highest in the Maritimes and in British Columbia. It is rising in Quebec, but still nominal throughout most parts of Ontario and the Prairies. There are exceptions to this as, for example, the Port Arthur area where lower employment in the woods is having an effect.

The Government Program

What's likely to be done about it?

Unless the Government gets stampeded into some new and presently unexpected line of policy, the main approach will likely be to liberalize unemployment insurance machinery and avoid any possible federal assistance by way of additional relief payments.

There'll also be an effort to disavow the earlier idea that the Government can deal with the present situation by means of a big, ready-made shelf of blueprinted public works.

There are several important approaches via the unemployment insurance act.

Already B. C. loggers have been included in the act, and only administrative difficulties have prevented inclusion of loggers in other parts of Canada. This will now be done. It would give relief eventually, but would not greatly help persons now unemployed.

In addition to this purely regulative change which will become effective April 1, Parliament will be asked to take immediate action to liberalize the present act so as to extend benefits to unemployed who have presently ceased to qualify for unemployment insurance money.

It is argued here that this does not mean dilution of the existing fund. Various alternatives have been under review here. But in no case would benefits be liberalized without some compensatory action.

Behind this thinking is an attempt to work toward both a short-term and long-range improvement of the fund so as to fit more closely the traditional pattern of seasonal unemployment such as Canada is now experiencing. Immediate legislative changes will be sought in the act to give relief as quickly as possible to persons now unemployed. As well, an attempt will be made to provide a longer-term answer along the same lines.

One further recommendation made earlier but never yet acted upon by the Government would

(Continued on page 3, col. 1)

Grain Outlook is Brighter At West Cold Spell Break

Special Correspondence

WINNIPEG — Milder weather following the longest and most severe spell of cold weather they have known for many years leads Prairie farmers to believe the subsoil moisture problem they faced last fall, when stored reserves were very low, may have been licked, and a more hopeful feeling for the coming crop now prevails.

Subsoil moisture is always a matter of concern to the grain farmer. Size of his crop depends very largely on the amount of moisture in reserve and seldom is there as much as desired.

The most important source of moisture is spring and summer rainfall. Generally a cool wet June portends good crops.

Next in importance is the subsoil reserve stored up the preceding year.

Western farm practice, with a large acreage assigned to summer fallow, is designed to keep in ground storage as much as possible of the rainfall of one year for use the following year.

With that fixed, the western farmer hopes for a dry harvest season, so he can get his crop off satisfactorily. Then he looks for abundant fall rains to be locked in by winter frost. These were almost entirely absent last fall. Thus, land cropped in 1949 is extremely dry, and summer-fallowed land, although in better shape, is also too dry.

A third source of moisture is winter snows, as a rule disregarded on the theory that they melt before the ground has thawed enough to absorb them with the resulting moisture running off.

This year, however, snowfall has been heavy, and this is being regarded hopefully. Spring melting it's thought, will at least provide enough top moisture for germination of seed until the spring rains.

Further, the severe January is regarded as hopeful, on the assumption that it will put frost down to a deep level, and that its release in spring will be gradual. The west, as a rule, is not anxious for early spring. Warm days too soon tend to dry out the ground instead of leaving the moisture for plant rootlets to absorb.

In 1949, Manitoba, Northern Saskatchewan, Southern Alberta, and the Peace River country had adequate rainfall. Southwestern Saskatchewan, much of central

(Continued on page 3, col. 4)

Buying Boom in Bonds, Stocks By Canadian Public in 1949

OTTAWA (Staff)—1949 was a boom year for general public buying of Canadian bonds and stocks, according to the annual report of the Bank of Canada.

Net new issues of securities in the Canadian market (exclusive of federal governments) was $677 million. This is probably an all-time record in Canadian financial history. The comparable figure for 1948 was $585 million.

A feature of the past two years, according to Governor Towers, was the substantial purchases of securities by the general public rather than the chartered banks. In 1949, the security portfolios of Canadian chartered banks actually showed a decline of $77 million, compared with an average increase in the previous four years of $150 million.

Against this increase in securities on the Canadian market, there continued to be a decline in foreign holdings either through retirement or refunding. The amount of this decline in 1949 was $38 million. Deducting this from the net increase in securities on the Canadian market leaves an over-all increase for the year of $639 million.

Of the 1949 Canadian issues total, $361 million was in provincials; $95 million in municipals and $221 million in corporation securities. The corporation issues were distributed $53 million in stocks and $168 million in bonds.

For the third year in succession there was a decline in the total of Government of Canada obligations outstanding. Total net retirements in 1949 (including $287 in refundable taxes) was $805 million of which $100 million represented banking issues and $705 million was direct or guaranteed obligations.

Elsewhere in the bank's report it is noted that gross private capital investment in Canada in 1949 was $2.9 billion against $2.6 billion the previous year. The wide gap between this figure and the much smaller total of net new security issues is accounted for by the large amount of net retained earnings which was ploughed back into capital expansion by Canadian firms. (A separate Bank of Canada tabu-

(Continued on page 2, col. 3)

Spring Suits Cheaper, But—

Crazy Wool Price Pattern Portends Increases For Fall

By W. L. DACK

It's a crazy world in wool. So the clothing men are saying. Your spring and summer suitings have already been knocked down 5% to 10% in price. But come fall look for a 7% to 10% hike. This, in face of a consumer goods price structure that's generally pointed downward; lusty pressure by retailers for price reductions.

Why this odd situation? Basically because the world has suddenly found itself running short of high-grade wool; demand currently is estimated as running 25% ahead of production.

It's a situation that has sent prices skyrocketing at recent overseas wool auctions—and it's the wool that's bought there that will go into those higher-priced fall suitings.

That a drop in spring and summer prices is in prospect can be laid to lower prices paid last summer when Russian buyers weren't stimulating today's heavy demand; when U. S. buying activity was down.

No one in the trade can see how the world wool supply situation can possibly improve for several years. Stockpiles are depleted. The world's sheep population has to be built up.

And the fear is that if the price trend is to be continually forced upward there will be a sizeable shift to the growing synthetics cloth industry.

Here are the price antics of raw wool which have shaken the industry to its roots since sterling devaluation last September. At that time wool tops used in all better grade worsteds could be landed in Canada at $1.45-$1.50 a pound. By mid-January price was up to $1.85, by February 1, up to a near all-time record of $2.05, a total rise of almost 40%. Carried right through to a $50 suit that would add $7 to the markup price.

Although domestic mills are wary of current high wool prices and have some flexibility in purchases, they have had to buy substantial quantities against next fall delivery. One large cloth manufacturer this week upped his price on popular worsted cloth for fall delivery from $4.05 to $4.40 a yard. Increases generally range from 7-10%.

Domestic manufacturers, however, are in a more fortunate position than overseas mills in one respect; they can assure their customers reasonable deliveries on seasonal merchandise. The best many U. K. cloth manufacturers can promise is 10 to 12 months which is time enough in which anything could happen to world prices.

First halt in the wool spiral did, however, come last week. Some grades eased by up to 10%.

Although everyone in the yarn, cloth and clothing ends of the business breathed a sigh of relief no one was counting too much on this being the "real thing." One large importer told The Post "there are too many European countries still in the market for sizeable wool stocks." A notable feature of the strong wool market the last few months has been the keen bidding at wool auctions of buyers for Russian accounts.

Stockpile Almost Gone

Normally, in peacetime, world wool production and consumption has a happy knack of balancing off. But in World War II, Europe, which had been taking three quarters of the world's wool output was cut off with the result that there was a three-billion pound stockpile by war's end.

Britain figured it would take 12 to 13 years to work off this surplus. Sheep flocks were further depleted. But the stockpile has virtually disappeared; will be down to 200 million lb. by this summer.

What will happen to prices, experts are asking, with the surplus gone and if world demand holds at current levels? They are running annually anywhere from 400 to 500 million lb. above production.

Pace of Business

Department store sales rose 5% week ended Feb. 4, over same week 1949; dropped in Manitoba only, 3%.

Carloadings rose to 67,737 cars in week ended Feb. 4, over 64,033 week before, but below 72,788 cars the week a year before.

Farm prices index of DBS dropped to 251.3 for 1949, from 1948 all-time annual average of 251.3. First drop since 1939. Only Ontario, Saskatchewan, Alberta and B.C. rose slightly.

Fish stocks in cold storage dropped to 31.7 million lb. Feb. 1. Stocks Jan. 1, 32.3 millions.

Stocks of meat by packers, wholesale butchers, cold storage warehouses sank to 56.8 million lb., Feb. 1, against 70 millions Jan. 1; 80.7 millions Feb. 1, 1948.

Sales, financing new motor vehicles advanced in 1949 in all provinces. Total sales: 275,537 units for $569.9 millions—a new record—against 221,300 at $439 millions.

Cheddar cheese output more than doubled in January from a year earlier, hitting 1.6 million lb. Creamery butter production was slightly increased at 9.8 million lb.

Creamery butter stocks Feb. 1, were 46 million lb., against 56 million Jan. 1, and 27 million Feb. 1, last year.

Margarine production was 7.9 million lb. in January, up from 6.9 million previous month, 1.03 million in January, 1948.

Natural rubber consumption rose in December to 7.8 million lb. from 7.4 millions; synthetic to 3.21 from 3.13 millions; reclaim, to 2.3 from 2.0 millions.

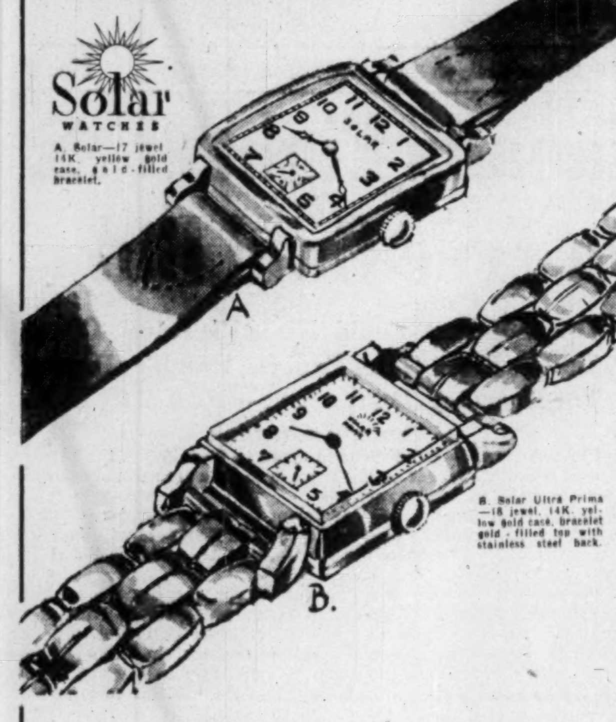
Central electric stations produced 46,673 millions k.w.h. in 1949, compared to 44,568 millions in 1948; 40,100 millions in 1945. Gross exports to U. S. fell steadily since war to 1,765 millions.

Labor income declined in November to $661 millions, from $663 millions month before. Aggregate for 11 months 1949: $6.98 millions, 7.5% above same period 1948.

Merchandise exports declined 4.3% in December from November, to $285 million from $297 million.

Wages hourly workers in leading manufacturing set record high Dec. 1, of $42.86 a week, against $42.59 month before, $41.47 year before.

EATON'S



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NOTICES

ARISTA PRODUCTS LIMITED

CERTIFIED COPY OF BY-LAW NUMBER 46

WHEREAS it is deemed expedient to change the location of the Head Office of the Company.

NOW THEREFORE be it enacted by and as a by-law of Arista Products Limited that the location of the Head Office of the Company be and the same is hereby changed from the City of Toronto, in the County of York, to the Village of Grafton, in the United Counties of Northumberland and Durham, in the Province of Ontario.

WITNESS the Corporate Seal of the Company this 21st day of December, 1949.

D. S. ARCHER,
(Seal) President.
CARL J. WILLIAMS,
Secretary-treasurer.

I, CARL J. WILLIAMS, Secretary-Treasurer of Arista Products Limited, do hereby certify that the foregoing is a true copy of a By-law changing the Head Office of Arista Products Limited, duly passed by the Directors of the Company on the 21st day of December, 1949, and unanimously confirmed by all the shareholders of the Company at the annual meeting thereof held on the 21st day of December, 1949.

IN WITNESS WHEREOF I have hereunto set my hand under the Corporate Seal of the Company this 25th day of January, 1950.

C. J. WILLIAMS,
(Seal) Secretary-Treasurer.

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MIDDLE AGED man with accountancy or bookkeeping background to sell office systems and appliance, commission, references required. Box 54, The Financial Post, Toronto.

AGENCIES WANTED

MANUFACTURERS' REPRESENTATIVE, Montreal area, can give small manufacturers good distribution. Established firm, central office location. Straight commission or other basis. Box 38, The Financial Post, Toronto.

DEPARTMENTAL AGENT

CONTACTING GOVERNMENT departments at Ottawa re interpretation of regulations and procedure. Close familiarity with government organization. Assignments solicited. Box 30, The Financial Post, Toronto.

CAPITAL WANTED

6% INTEREST on investments, $5,000 required for expanding business. Box 45, The Financial Post, Toronto.

FOR SALE

One Factory New G.M. Twin Marine Diesel, geared to single Drive Shaft. 285 B.H.P. at 1600 R.P.M. Your Station only $7250.00

One 150 B.H.P. at 1200 R.P.M. 1330 inch Displ. connected to Delco D.C. Gen. 100 K.V.A Only $8000.00

One 12 Cylinder G.M. V type Diesel, 750 R.P.M. 900 B.H.P. 6809 Piston Displ. Only $16000.00

One Factory New 12 cyl. V type Diesel, 450 H.P. at 1200 R.P.M. Only $19500.00

Two only Guiberson Air-Cooled Diesel Engine, 180 B.H.P. at 1800 R.P.M. Extension shaft. Out-board bearing. Only $4500.00

See if you can duplicate these Prices. For further information Write

Larder Equipment Company Limited
89 Govt. Rd. W., Kirkland Lake, Ont.

Rifles at Wholesale Prices

308 BRITISH ENFIELD Converted Sporting Models; High-power precision repeaters; 6 and 10 shot models; barrel up to 30"; excellent condition; guaranteed; $37.50 each. Also unconverted Military Models in excellent condition, fine for remodelling $27.50 each. Will ship C.O.D. Write Sportsmen's Wholesale Supply, 2098 St. Catherine St. W., Montreal 25, Que.

Bid To Up Tariff 'Value' On Jap Gloves Rejected

OTTAWA (Staff) — The Tariff Board has refused to hear an appeal by Canadian manufacturers on the grounds that it has no power to increase statutory values set by the Government. The case is unique in tariff history.

At present, the manufacturers are considering an appeal to the Exchequer Court against the board decision.

The case involves the controversial question of Japanese wool gloves and mitts. Last year the Tariff Board heard an appeal against the arbitrary values placed on these imports by the Department of National Revenue, and lowered the values as set by the Department, effective Dec. 31, 1949.

For 1950, the Department decided to adopt these revised valuations. As soon the the ruling was announced, a group of Canadian manufacturers decided to appeal to the Tariff Board to increase them.

But having looked over its authority, the Board has decided that while it has power to reduce or wipe out arbitrary valuations it has no authority to increase valuations.

If the Board is correct, it suggests that the Government never expected that anyone would want higher values than those set by Government customs appraisers.

Information prepared by the Canadian manufacturers suggests that Jap wool mitt and glove imports last year reached 30% of Canadian production. There have been no recent importations but Canadian stores are presently well stocked with Canadian and Japanese products.

Dominion Engineering Bid Wins $700,000 Brazil Job

MONTREAL (Staff)—In competition with hydraulic turbine builders in the United States and Europe, Dominion Engineering Co., sales subsidiary of Dominion Engineering Works, has garnered $700,000 contract for two large hydraulic turbines for the huge Paulo Afonso hydro-electric project in northeastern Brazil.

Twelve companies in seven countries — England, France, Germany, Italy, Sweden, Switzerland and the U. S. — bid for the business but the Canadian firm won out against the field. The turbines will be of Canadian design and will be manufactured at the company's Lachine plant.

The order was received as a subcontract from Westinghouse Electric International Co. which is supplying the electrical equipment for the Brazilian project. Dominion Engineering has been working on it for some months, sent one of its own engineers to Brazil to study the requirements first hand and had several others in New York working with the American company on the details. When the tenders were submitted, the Canadian company's bid was the lowest and its design filled the needs.

The two turbines are of the vertical Francis type rated at 83,000 hp each under an effective head of 266 ft. The project is unusual in that the power house will be entirely underground in a chamber hollowed out of the surrounding rock. Separate tunnels will bring the water to each turbine. From the turbines, the water will be discharged through a common surge chamber and long tailrace tunnel.

The power site itself is on the Sao Francisco River at the rugged, spectacular Paulo Afonso Falls.

Buying Boom In Bonds, Stocks

(Continued from page 1)

lation of 663 larger Canadian corporations shows that in 1948, $475 million of profits or retained earnings was invested in plant, property and equipment.)

The following tabulation shows the trend of net new issues of securities on the Canadian market in recent years:

NET NEW ISSUES OF SECURITIES ON THE CANADIAN MARKET, 1945-49
(Millions of Dollars)

	1945	1946	1947†	1948	1949
Provincial	—14	18	131	237	361
Municipal	—35	3	103	80	95
Corporate: Bds.	54	135	276	213	168
Stks.	25	75	123	55	53
Total	30	231	633	585	677

Govt. of Canada

	1945	1946	1947†	1948	1949
Bonds*	3,769	272	—212	—442	—719
Treasury bills, etc.	—695	—250	—346	100	—100

*Includes refundable taxes.
†Exclusive of Mt. L. H. & P. transfer.
Note: Minus signs denote net retirements. Table refers only to issues payable in Canadian dollars. In the same period the net retirements of securities payable only or optionally in foreign currencies (exclusive of Govt. of Canada obligation), was as follows: 1945—$76 million; 1946—$186 million; 1947—$306 million; 1948—$55 million; 1949—$38 million.

United Steel Net Over Twice Div'd.

Profits of United Steel Corp. for the year 1949 indicate that there will be sufficient, after payment of the preferred stock dividends, to provide more than twice the amount required to pay the present annual rate of 60c. per share on the common stock, Comptroller R. G. Read states.

Directors declared the regular semiannual preferred dividend of 75c. a share payable May 1 to holders of record April 14 and a quarterly common stock dividend of 15c. a share payable March 31 to holders of record March 17 at the regular quarterly meeting last week. The preferred stock dividends have been paid uninterruptedly for 12 years.

G. C. BROADBENT

has been appointed secretary and treasurer, Dominion Steel & Coal Corp.

Simpsons Profit $4,496,666 in 1949

Simpsons, Ltd., had a consolidated net profit of $4,496,666 for the year ended Jan. 4, 1950, after writing off $350,000 provision against future depreciation of inventory values. This is equivalent to earnings of $29.95 a preferred share and to $3.36 a share on the combined Class A and Class B shares.

In the previous year, Simpsons had a net profit of $4,281,761, equivalent to $38.06 a preferred share and to $5.24 a share on the combined A and B shares.

Canada Fights Free Gold Bid

(Continued from page 1)

shortage of U. S. dollars in the world would be aggravated and the demand on Canadian exports narrowed accordingly.

It is this same line of reasoning that the British are expected to take. Already harassed by a world-wide shortage of dollars, the British would be equally concerned if precious U. S. dollars were to be diverted in substantial amounts into the buying and hoarding of free gold.

Orange Cr. Plans For Future Built On Bottlers Service

Franchise bottlers of Orange Crush, Ltd. during the past year have received careful attention and service and plans for the future are built around increasing this service and providing them with all the help and sound information possible, Vice-President John A. McDougald told shareholders at the annual meeting this week.

Referring to the improvement of $925,023 in consolidated net profit over the previous year (From a deficit of $513,982 to a profit of $411,041) Mr. McDougald said these improvements were the result of policies adopted towards the end of the previous fiscal year.

"The removal of taxes on soft drinks in Canada in March of last year had a beneficial effect on the sales of all soft drinks. However, the fact that the cooler or smaller size bottles reverted to prewar prices considerably lessens the benefit that otherwise might have accrued to your company. This low selling price, combined with increased costs of operation is still a problem," he said.

Coated Paper Prices Raised

Coated paper prices have been upped by 4-7% by Canadian paper manufacturers. The increase varies with grade and quality and in a number of cases works out at around 75c per hundredweight. A few grades remain unchanged.

Such cost factors as higher rail charges and 10% premium on cost of U. S. raw materials (coating clays, coal, chemicals, etc.) are big factors behind the increase, manufacturers inform The Financial Post. The last price increase took place last June.

Currently three firms — Provincial Paper, Alliance Paper Mills and Canada Glazed Papers—account for Canada's entire production which runs at the rate of around 1,200 tons a month. The coated paper is used chiefly in advertising papers, labels, box-tops, and magazine covers.

ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

Stewart-Lovick & Macpherson Ltd. (Toronto) reports increased advertising program in 1950 for Canadian Admiral Corp., Malton, Ont. gets under way this month. Media include magazines, newspapers, week-end papers, trade papers, window streamers, broadsides, point-of-sale displays.

* * *

Alford R. Poyntz Advertising Ltd. (Toronto) will soon release a schedule of consumer advertising in home magazines and week-end roto on Beaver Power Tools, made by The Callander Foundry & Manufacturing Co., Guelph, Ont. Copy will encourage complete home workshops.

* * *

Erwin, Wasey of Canada Ltd. (Toronto) reports new advertising campaigns for Dominion Magnesium Ltd., and for its wholly owned subsidiary, Light Alloys Ltd. Dominion Magnesium's 1950 campaign, to break shortly in enlarged list of business and industrial publications, has been expanded to include American and British, as well as Canadian publications; uses full pages in two colors. Newcomer to industrial advertising field is Light Alloy's series of full-page two-color insertions in Canadian industrial papers. Direct mail used by both companies.

* * *

Muter, Culiner, Frankfurter & Gould Ltd. (Toronto) direct Biltmore Hat Ltd. most extensive newspaper campaign to date, using practically every daily from Newfoundland to B. C. during spring and summer. Campaign will be merchandised to trade.

* * *

E. W. Reynolds Ltd. (Toronto) reports twice-a-week insertions in metropolitan newspapers across Canada for Stafford Industries Ltd., alternating between two copy themes: chocolate syrup for hot or cold chocolate milk; chocolate sauce in puddings and as topping for desserts or home sundaes. Continue use of painted bulletins in Montreal, Toronto, and Winnipeg.

O'Brien Advertising Ltd. (Vancouver) directs new consumer campaign, to break shortly in B. C., for Rockhill Food Products Ltd., North Vancouver. Small space newspaper ads will be followed by spot radio.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Bank of Montreal (Montreal) — Noah A. Timmins, a director.

Bank of Nova Scotia (Halifax)— F. R. Graham (Vancouver), W. F. Macklaier (Montreal), directors.

Barrett Co. Ltd. (Montreal) — G. D. Schroeder, vice-president in charge of Canadian sales.

Canadian Breweries, Ltd. (Toronto)—J. A. McDougald, a director.

Canadian Council of the International Chamber of Commerce — G. G. Ryan (Montreal), president.

Canadian Electrical Association (Montreal) — Donald C. Campbell, assistant to managing director.

Canadian Fruit Wholesalers' Association—B. G. Flewelling (Saint John), president.

Canadian Home Assurance Co. (Montreal) — John G. Porteous, a director.

Canadian Lumbermen's Association (Ottawa) — Harold E. Gill (Montreal) president; Roland Bock (Montreal), vice-president.

Canadian National Railways (Montreal)—F. P. Hynes, transportation assistant, central region, Toronto.

Canadian National Telegraphs (Montreal) — Fred R. Lodge, manager at Campbellton, N.B.

Canadian Pacific Railway (Montreal)—C. D. Edsforth, assistant to general traffic manager; Angus P. MacKinnon (Toronto), manager, Algonquin Hotel, St. Andrew's, N.B.

Canadian Shoe Retailers' Association — Louis DesLauriers (Montreal), president.

Chartered Trust Co. (Toronto)— W. K. Whiteford, W. Dent Smith, J. H. Lithgow, directors.

Chateau Gai Wines Ltd. (Niagara Falls, Ont.) — Jacques Dussault, (Montreal), a director.

Dominion Steel & Coal Corp. (Montreal) — G. C. Broadbent, secretary and treasurer.

Excelsior Life Insurance Co. (Toronto) — Alex P. Johnston, treasurer.

Anthony Foster & Sons Ltd. (Toronto)—S. P. Burden, manager, central Ontario, Walter Ross, Toronto manager, Philco Radio division.

Great American Group of Insurance Companies (Toronto) — L. P. Carmichael to head Inland Transportation Dept.

Guarantee Trust Co. of Canada (Toronto) — P. Michael Dewan named to advisory board.

Holstein-Friesian Association of Canada—W. A. Hodge (St. Laurent, Que.), president.

House of Seagram (Waterloo, Ont.) — Harry Silverberg, public relations representative at Toronto.

Hudson's Bay Co. (Winnipeg) — Erin Odin Faulkner, a director.

Life Insurance Managers' Association of Toronto — J. M. Tory, president; J. H. Doyle, J. J. McLaughlin, vice-presidents.

Manitoba Food Technology Association (Winnipeg) — Dr. E. C. Chamberlayne, president.

Manitoba Gov't. (Winnipeg) — James Stuart Anderson, deputy provincial treasurer; Hon. W. C. Miller, Speaker.

Masonry Contractors' Association of B. C. (Vancouver) — Stanley Nerheim, president (new).

Melchers Distilleries Ltd. (Montreal) — Cleophas Martin, a director.

New Brunswick Telephone Co. Ltd. (Fredericton) — W. Clifford Boultier, manager, Newcastle area; John T. Reid, manager, Woodstock area; Gordon T. Manning, manager at Saint John.

National House Builders' Association (Toronto) — John A. Griffin, president pro-tem.

Ontario Municipal Board (Toronto)—Lorne R. Cumming (Windsor), chairman.

Ontario Retail Hardware Association (Toronto) — Walter G. Gorsline (Collingwood) president.

Ronalds Advertising Agency, Ltd. (Montreal) — James Stenhouse, a director.

Robin Hood Flour Mills Ltd. (Montreal) — Frank D. King, general sales manager, Newfoundland area, at St. John's.

Royal Trust Co. (Montreal)—Robert P. Jellett, board chairman; Ross Clarkson, president; J. Pembroke, general manager.

Supreme Court of Canada (Ottawa)—Dr Vincent C. MacDonald (Halifax), a judge.

Thermos Bottle Co. Ltd. (Toronto) — John P. Parker, general manager.

Tuckett-Little & Firstbrook Ltd. (Toronto)—Charles H. Poole, joins firm.

United Steel Corp. Ltd. Farand & Delorme Division (Montreal)—Donald W. Campbell, manager.

Vivian Engine Works Ltd. (Vancouver) — W. J. Andrew, superintendent.

F. W. Woolworth Co. Ltd. (Toronto)—R. D. Campbell (Toronto), director, parent company, New York City.

Obituaries

J. F. Whitney Beazley, Montreal, shipping executive with McLean Kennedy (Maritimes) Ltd., Saint John.

J. B. A. Bilodeau, 63, Montreal, director of purchases, textile division, Dupuis Freres.

Benjamin A. Neale, 71, Toronto, first manager of Royal York Hotel, associated with CPR chain 37 years.

Stanley Boyd Picken, 60, New Westminster, B.C., production manager, O'Brien Advertising Ltd.

John A. Tory, 80, Toronto, director, Sun Life Insurance Co., former president, Life Underwriters Association of Canada and Toronto Industrial Commission.

Robert Lynch Stailing, 61, Toronto, Canadian manager, Sun Insurance Group.

SEVEN PASSENGER PACKARD LIMOUSINE FOR SALE

This car is a 1947 model and has been privately driven by a business executive. The car has 50,000 miles on it. New tires. Fully equipped in every respect with many extras, such as radio, back seat heater, etc. This automobile is in excellent condition and cost close to six thousand dollars.

It is priced for immediate sale. Write or phone . . .

H. HOLLAND
36 Caledonia Road, Toronto
Phone — MELROSE 1161

Canadian Pacific Railway Company

Dividend Notice

At a meeting of the Board of Directors of Canadian Pacific Railway Company held today a final dividend of three per cent (seventy-five cents per share) on the Ordinary Capital Stock in respect of, and out of earnings for the year 1949 was declared payable in Canadian funds on March 31, 1950, to Shareholders of record at 3 p.m. on February 24, 1950.

The Directors point out that while there has been a slight increase in net earnings from rail operations for the year 1949 these earnings are still insufficient for the payment of any dividend. The dividend paid is attributable solely to the Company's income from other sources.

By Order of the Board.
FREDERICK BRAMLEY,
Secretary.
Montreal, February 13, 1950.

DIVIDEND NOTICES

Maxwell Limited

DIVIDEND NO. 6

Notice is hereby given that a dividend of twelve and one-half cents (12½c) per share on all outstanding Common Shares of the Company has been declared payable March 1st, 1950, to shareholders of record at the close of business on February 17th, 1950.

By Order of the Board.
J. J. McLAUGHLIN,
Secretary-Treasurer.

MACASSA MINES, LIMITED
(No Personal Liability)
DIVIDEND NO. 51

Notice is hereby given that an interim dividend of Three (3c) Cents per share has been declared on the issued capital stock of this company, and will be paid in Canadian funds on March 15th, 1950, to shareholders of record February 21st, 1950.

By Order of the Board.
E. W. VANSTONE,
Secretary.
Toronto, February, 14th, 1950.

SALES MANAGER

An international client in the packaged goods line wants a National Sales Manager accustomed to supervising the volume distribution of tangibles.

The successful applicant must know the Canadian consumer market thoroughly, must be a capable organizer, administrator and negotiator on high level contacts.

He must have supervised or assisted in the supervision of a national or regional sales force with gross sales in excess of $1,000,000.00 yearly. Initial salary will be commensurate with past earnings.

Send detailed resumé in complete confidence by mail only.

EXECUTIVE PLACEMENT ASSOCIATES
1460 UNION AVENUE, MONTREAL

Ties For Every Man . . At Simpson's

Your tie completes your ensemble . . . It must be correct! For the right tie for every occasion . . . for a complete tie wardrobe . . . visit the Store For Men! You'll find a full selection . . . ties for business, ties for dress, ties for wear with evening suit or evening formal . . . they're all here! Priced right! Styled right!

AT Simpson's
The Store For Men
Street Floor

Bruck Mills Limited

The stock is currently selling to yield 6.6%

A circular describing this important fabric manufacture is available on request.

DOHERTY ROADHOUSE & CO.
Members The Toronto Stock Exchange
145 YONGE STREET
TORONTO 1
Direct Wires to Montreal
New Liskeard Timmins Kirkland Lake Haileybury

OPPORTUNITY FOR SALES MANAGER

An excellent opportunity is open for a keen young executive with sales management background.

Previous experience as sales manager or assistant sales manager with a successful company selling consumer goods is necessary, also knowledge of modern merchandising methods, markets and sales analysis.

The man wanted is a young sales executive between 35 and 40, who is on the way up. He should have a good education, good appearance and be thoroughly dependable. To such a party the position offers unusual opportunities along with attractive salary and congenial association with a well-known company that is a leader in its field.

If you have sales management experience and the other qualifications mentioned, and are interested in this position, please write giving full details. Your letter will be held in strict confidence and no enquiries made without your permission. Address: The Manager, Young & Rubicam, Ltd., Advertising, 80 King Street West, Toronto.

MAYFAIR

PRESTIGE ADVERTISING TENDS TO RAISE THE CAPITAL VALUE OF A BUSINESS.

MAYFAIR ADVERTISING OFFERS PRESTIGE AT EXCEPTIONALLY MODEST COST.

No product, no producer, should forget about prestige. "Class" advertising always "mass" market.

ASK YOUR ADVERTISING AGENT OR PHONE
MAYFAIR MAGAZINE
DOMINION SQUARE BLDG., MONTREAL.
481 UNIVERSITY AVENUE, TORONTO.
A Maclean-Hunter Publication.

For Sale by Tender
46,500 square feet of Industrial Space at OWEN SOUND

Reinforced concrete and brick buildings with railway sidings and high pressure steam. Full particulars on application to the undersigned. Offers to Purchase must be received by February 23rd, and must be accompanied by a certified cheque for 10% of the offered price, made payable to the undersigned.

The Owners reserve the unqualified right to reject any or all offers received.

W. H. BOSLEY & CO.
28 Adelaide St. W. Toronto
WAverley 1031

Gov't Plans New Approach To Problem of Jobless

(Continued from page 1)

be adoption of the plan to create a new higher-class of benefits and contributions. This could be done without any dilution of present funds. It would merely be recognition of the increase in wages and earnings which has taken place since the fund was created. It is believed that the recommendation that this be done has again been made to the Government in recent weeks.

One point on which the Government is unlikely to give any ground during the present session is responsibility for local or provincial unemployment relief.

The wheel is now beginning to turn full cycle from 1945, when Ottawa in its initial offer to the provinces said it would assume important responsibility in this field. The provinces rejected this offer — an offer which was perhaps the most costly and magnanimous portion of the entire federal scheme of that day. Today there is no disposition for Ottawa to crawl out on the same limb — especially at a time when its financial obligations in other directions are pressing very tightly.

Also, if Ottawa were to yield at all in this direction now, it would destroy an important weapon of bargaining which will undoubtedly be used at the forthcoming tax conference next fall.

Public Works Programs

In the realm of public works, there is no doubt that the 1950-51 estimates will contain generous local appropriations — including of course the controversial Trans-Canada Highway grants to which Ottawa is now committed.

But the Government will probably crawl as far away as possible from its earlier position that unemployment in Canada can be looked after by means of a "shelf" of tailor-made public works.

The argument used will be that the original "shelf" idea was planned for a different type of problem. It was aimed to deal with mass unemployment of war workers, veterans, etc., immediately following the end of hostilities.

Today, as the figures plainly show, Canada has a very different problem.

Unemployment is highly selective and regional. It stems largely from decline in exports such as lumbering, pitprops, etc.; plus inroads of U. K. imports as in the case of Quebec textile plants.

Anyway, there isn't any real "shelf" in the Ottawa formula.

Farm Price Program

Respecting farm prices, the immediate legislative program calls for putting the present temporary prices support legislation on a permanent footing. The operative parts of the present act, of only two-year duration, expire in March of this year.

Apart from this change it is not expected that there will be any new or radical approach to farm support prices. To date these have been dealt with on an ad hoc basis. This will continue.

In the larger field of foreign trade, the Government has as yet no new approach.

There is a firm resolve not to yield to recurrent pressures to accept sterling for Canadian primary products.

There is also consideration being given to linking up with United States or the United Nations in any new program for assistance to the Far East or undeveloped countries.

W. K. WHITEFORD

has been elected a director of Chartered Trust Co. He is president, British American Oil Co.

Will Congress Help Canada?

(Continued from page 1)

nothing but plain business sense. And we in Canada cannot see why a business arrangement which produced such good results for both countries in war should not produce equally good results in providing security against war."

This is by far the most forthright statement yet made publicly on this subject. It is indicative of Canada's concern that this country cannot co-ordinate arms production so long as artificial barriers like the "Buy America Act" in U. S. and lack of U. S. dollars in Canada exist.

Because of political difficulties at Washington in removing "Buy America" legislation, it is recognized that it may be necessary for U. S. authorities to adopt a somewhat different approach if the maximum military potential of the two countries is to be utilized.

Thus the St. Laurent suggestion that some businesslike or reciprocal arrangement be made which would permit arms transfers north and south to an equal dollar value.

What is hoped here is that with the matter now being pushed at highest levels some new legislative approach along these lines may be forthcoming in the present session of Congress.

Meanwhile the recent amendment of U. S. regulations under the arms aid legislation has been of little consequence in getting at this basic question of reciprocal weapons exchange.

As already reported, United States authorities have now agreed to amend their regulations so as to accept an irrevocable letter of credit in lieu of cash where purchase of weapons under the arms aid program is involved.

They have also omitted an earlier clause which would have required all NAP countries to undertake assistance to each other as a requisite of receiving arms aid.

There has also been a softening of regulations respecting freedom to transfer weapons received which had any U. S. content, no matter how small.

But these changes do not get at the root of the Canadian problem.

Higher Dividend For Silknit Ltd.

Silknit Ltd. has raised the quarterly dividend rate on its common stock from 15c to 25c. The increased payment along with a 40c bonus will be payable March 15 to shareholders of record March 1.

Common dividends have been paid at the rate of 60c annually since initial 15c payment on June 15, 1948. An extra common dividend of 40c a share was also paid last year on June 15.

TOWN OF ASBESTOS has sold $396,000 3% serial 20-year bonds at 97.67 to a syndicate composed of Societe de Placements Inc. and McNeil, Mantha Inc. Net cost is computed at 3.316%. Purpose is for waterworks and consolidation of floating debts. Previous financing by Asbestos had been made during October, 1947, with sale of $167,000 2½-3% serial 15-year bonds at 99.829, net cost of money being 2.788%.

Look For It Here

Feb. 18, 1950

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Buyers' Market Here for Cars?

(Continued from page 1)

And they could sell every car they could get their hands on. Today's trend clearly indicates a return to traditional marketing practices.

Delivery: Supply has just about caught up with demand. In some cases it has, even on popular models. The balance is closer on some than others, but by summer, you should be able to get immediate delivery on just about anything. On at least one popular model, you can get delivery in Toronto in five minutes. If you want a special color or model, it takes a few days. The most sought after job is being promised in two months almost anywhere in Canada. In some areas, it is two weeks.

Production: Output will likely fall slightly short of last year record 275,000 units (trucks and passenger cars) although Chrysler has set its sights 10% or 15% higher and G. M. volume is up considerably. The U. S. Chrysler strike might put a crimp in production plans of the Canadian firm. In addition, output of Nash, now getting into production in Toronto, and Hudson, scheduled for spring at Tilbury, Ont., will swell the over-all volume and thus hasten the supply-demand balance.

In addition, Studebaker's Hamilton plant will continue rolling Champions into the market. To everything must be added British cars. Last year, they took a healthy 12% cut of the total Canadian market — about 25,000 of the 200,000 passenger cars bought by Canadians. Most of this is something the Canadian industry didn't have to contend with prewar.

In the United States, the scales may already be down on the supply side. In Atlantic City last week, where hundreds of car dealers gathered for the annual meeting of the National Automobile Dealers' Association, the one thing all were agreed on was that there was "overproduction." A while ago, they were fighting for cars. Last week they were wondering out loud whether the three million cars manufacturers plan on producing in the first half of 1950 can be sold without creating cutthroat competition.

Demand: By now, most of the postwar backlog has been cleared away. The question is: will Canadians continue to buy twice as many passenger cars per capita as they bought in 1941, the last year of prewar car production rate?

The ratio of persons per car has decreased from 10 in 1946 to 8.6 last year. W. A. Wecker, president of General Motors, says it will keep on decreasing. If it does, the domestic market will continue to absorb well over the average (1935-39) annual output of roughly 175,000 units. And if export demand can somehow be restored by the time domestic demand shrinks, there need be little dislocation, says G.M.'s Wecker.

Used Cars: Demand holding up well but prices on the longest slide since the war.

A spokesman for Drayton Motors, of Toronto, one of the country's biggest dealers, said prices were down anywhere from 25%-40%. He attributed the drop to increased supply. Demand, he said, was still good. He expects prices to firm by spring and is looking forward to his biggest year. His average annual volume is about 2,000 units for about $3 millions. He hopes to top the unit volume considerably this year. Premium prices have just about disappeared on "new-used" jobs. The most popular Chrysler and G.M. models only bring par. Brand new 1950 Fords are at a $200 discount, Monarchs and Mercurys, $300 under list. He said he's sold 100 new Fords since Jan. 26.

The same thing is true of U. K. cars, only more so, he said.

What does it all add up to? "The honeymoon is almost over."

Grain Outlook On the Prairies

(Continued from page 1)

Alberta were so dry that many crops failed or nearly failed.

Recalling the long drought period of the '30's many farmers began to fear that another such period was in the making.

Such fears tend to dissipate with the approach of spring and it can be taken for granted that farmers, as usual, are now preparing to put a maximum possible acreage into crop. Modern machinery helps by speeding seeding operations.

Marketing Outlook

From the marketing standpoint, all reserves of old crop wheat should be out of the way by harvesting time; the carryover is likely to be very small.

Most farmers anticipate a somewhat lower return next year than this year's $1.75 a bushel, so will regard carrying over of stocks as dangerous, except as these may be required as a safeguard against possible failures.

An immediate problem in marketing has resulted from snow blockades of railway lines to the Pacific Coast. The ocean freight rate situation encourages shipment from Vancouver instead of by the eastern route. There is a current saving to Britain, for example, of 10c a bushel or so, by taking delivery of wheat in Vancouver.

Canadians keep

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Equipment Used:	5 pickling tanks 2 tumbling barrels 1 airblast table	48" x 42" Wheelabrator Tumblast (17½ cu. ft. capacity)
Production:	1000 tons per month	1000 tons per month
Time Required:	16 hours a day	16 hours a day
Labor Requirements:	64 man hours daily (8 men 8 hours each)	16 man hours daily (2 men 8 hours each)
Cost per ton:	$3.19	$1.635
SAVINGS	$1.555 per ton	$1,555.00 monthly / $18,660.00 yearly

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Airless Blast Cleaning

Whenever a Wheelabrator is installed, the direct savings in labor, time and power are noticeable immediately. The bonus benefits are equally important.

At the Unit Drop Forge Division of the Fuller Manufacturing Company, the installation of a Wheelabrator reduced the number of rejects and improved the appearance of their product. The costly waste of damaged, distorted and burned forgings was practically eliminated. The acid disposal method which had drawn objections from the Sewage Commission is no longer needed. $1,000.00 annually is now saved that was spent for outside cleaning. Working conditions have been greatly improved and the need for an expensive ventilating system, required for the pickling tanks, has been eliminated.

Utilizing centrifugal force to hurl the abrasive, the Airless Wheelabrator uses less power . . . costs less to operate.

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THE BELL TELEPHONE COMPANY OF CANADA

Agents for the North American Telegraph Company

J. A. McDOUGALD

who has been elected a director of Canadian Breweries Limited. Mr. McDougald is Vice-President of Taylor, McDougald & Co., Limited, Chairman of the Executive Committee of Crown Trust Co., Chairman of the Executive Committee of Dominion Stores, Limited, a director of Massey-Harris Co., Limited, Purity Flour Mills, Limited, St. Lawrence Corporation Limited and several other companies.

CITY OF CHATHAM

Sealed Tenders addressed to L. D. Groombridge, City Treasurer, will be received until 5:00 P.M. Monday, February 27th, 1950, for the purpose of City of Chatham Debentures as follows:

$307,000.00, 20 year serial debentures bearing interest at three per cent per annum payable annually in Canadian Funds at the Canadian Bank of Commerce, Chatham, Ontario. This issue to provide for Public Schools has been approved by order No. P.F.C.—805—(a-b) and P.F.C.—805 (a) of the Ontario Municipal Board.

The highest or any tender not necessarily accepted.

Callable as to last year only.

W. GEORGE KERR, Mayor.

EXECUTIVE AVAILABLE

Thoroughly competent executive with considerable experience at managerial level, desires to make a change, able administrator and organizer, capable of assuming responsibility, and dealing with matters of administration, plant operation and production, personnel supervision, and matters pertaining to sales development. Executive post offering stability and permanent future with responsible concern desired. Age middle forties, married, excellent credentials, all replies will be treated in strict confidence.

BOX 51, THE FINANCIAL POST, TORONTO

INVESTMENTS THIS WEEK

Forced Dividend Payments Raises Practical Questions

There is much discussion in financial circles on the Government's policy of forcing the payment of a dividend where the minister feels that a company's undistributed income exceeds what is reasonably required for the purposes of the business.

(This is being done under Section 9 (6) of the Canadian Income Tax Act, which is not a new section, being analogous to Section 13 of the former Income War Tax Act.)

Discussions seem to centre mainly on what companies may be affected, but here are three vital points which must be considered to understand the full impact of the move on company policy:

(1) The very real need of a statement by the Government of its policy in its application of this section.

(2) The necessity of a ruling from the Government as to the date of the application of income tax liability to this "deemed dividend."

(3) The need of some ruling by the stock exchanges requiring notification to shareholders and the exchanges of advice from the Government of a "deemed dividend."

Under the present procedure, no company management knows where it stands. This is a handicap when long-term policies are being considered.

The first intimation the management may have that the company is on the "firing line" is on receipt of a registered letter stating that "a dividend equal to the amount specified in the notice shall be deemed to have been received by its shareholders on the day on which the registered letter was sent."

In the past, stress has been placed on corporations building up a strong surplus position in order to weather times of stress. Will they now have to change this policy? Should directors go out and deliberately declare common dividends without considering this factor or without regard to expansion plans, under way or projected? Should directors save for bad times or for future expansion when the company may be forced to pay out, in one lump sum, most if not all of its savings?

These questions indicate why directors should know the Government's policy on this section of the income tax act. They need the information to do their everyday job of making decisions for their company in the light of all the facts.

Another point: once the letter has been sent, the dividend is deemed to have been paid to shareholders on the date on which it was sent unless, in effect, the management can make a good enough case within 90 days to persuade the Government to change its mind.

But what is the position of the shareholders? Those not in close touch with the management may not know of the receipt of this letter. Purchases and sales of the stock may be made after the letter is sent but before its receipt is disclosed or a dividend declared which may result in a windfall to some people.

Further, under a strict interpretation of section 9 (6), the shareholder whose name is registered in the books as of the date of the letter becomes liable for income tax on the "deemed dividend." But he may not get the dividend if he sells the stock before it is paid, depending, of course on the record date set by the company for the dividend payment.

Further, Toronto Stock Exchange rules require a company to give its shareholders and the exchange prompt notice of the declaration of a dividend and require that the record date be at least seven days subsequent to the notification of the exchange.

What is the position of a company in regard to a "deemed dividend" in relation to this rule? Should not the Toronto Stock Exchange and other exchanges take some action to ensure that all shareholders are notified promptly upon receipt of such a letter?

The Government, stock exchanges and company managements should very carefully assess their respective positions in this matter—both to the individuals concerned and to the community—and take all possible steps to ensure that no individual interest is hurt through the application of this section.

* * *

London Stock Market Quiet Pending English Elections

Stock markets and indeed virtually all markets in England remain entirely dominated by the domestic financial and economic uncertainty that now exists concerning the outcome of the coming election. The uncertainty has brought the stock markets at least almost to a standstill, according to reports.

London financial interests, nearly always intensely conservative in politics, are said disturbed by two factors. One is the presence of so many Liberal party candidates in the field at a time when it is felt that there should be a straight fight between Conservatives and Laborites. The other is the reports of the neck-and-neck manner in which the Labor party and Conservatives are shown in the various public opinion polls.

Some optimism is being taken from the way in which the floating votes swung the Australian and New Zealand elections from the Left to the Right. Whaley-Eaton Service reports "we are privately and reliably advised that some usually astute London interests are buying gold shares and first class equities. This is in anticipation of a general rise following a Conservative victory." The Service goes on to point out that this is not to be considered as a forecast of the election results but simply a factual statement of an opinion which some financiers were backing with their money.

* * *

Expect Alberta Issue In the United States

A refunding issue for the Province of Alberta in the U. S. market is being discussed, The Financial Post understands. Underwriters are expected to be First Boston Corp. and Wood, Gundy & Co.

Unconfirmed reports suggest the amount of the issue would be about $60 millions.

* * *

Sees Pension Funds Trend Factor In U. S. Interest Rates

Last year's settlements in the U. S. steel strike, together with similar demands in other large industries, may have a major effect on investment trends in the United States in coming years due to the impetus given to large private pension programs.

While the terms of each individual pension plan will dictate the investment media into which the funds may go, should a clear-cut preference for prime debt securities develop, there is a definite possibility that such a demand, superimposed on the $3.5 billions annual accruals of the life insurance companies and the $500 millions or more of other investment funds, will more than equal the annual volume of new high quality obligations coming into the market, Merrill Lynch, Pierce, Fenner & Beane, U. S. investment firm, states.

"With demand running ahead of supply, this would suggest a further gradual tightening of prime interest rates which have declined already to close to the extreme lows witnessed in 1947," the firm adds.

Strength in U. S. governments is expected to spread over to the prime corporate obligations and strengthen them and also to strengthen the best-grade preferred stocks in which a revival of interest has already been noted, the firm notes.

In Canada also the accumulation of the long-term Canadian Government bonds by various government and other funds is said to be one factor for the strength in government bonds here.

* * *

Choice of Stocks Vital To Investment Success

One fact which stands out in a review of the results of the "Investing for a Widow" contest of Barron's (U. S. financial weekly) is that the ability to choose the right stocks for investment is incomparably the biggest factor in both capital growth and income. All the contestants whose suggested investments have shown the largest returns when the records were reviewed at the end of 10 years were characterized by their ability to get off the beaten track.

Each contestant had a theory to account for his divergences from orthodoxy but the theories differed from each other and were quite insufficient to explain the spectacular success of some of the portfolio, Barron's states.

The fact that there can be no set formula which can be followed into parting from orthodoxy was also well illustrated by some of the accounts. In one of the portfolios submitted to Barron's the contestant sought out common stocks of young companies having aggressive managements facing major opportunities for growth. Some of his growth industries showed a very bad record but his gains eclipsed his losses. In another portfolio issues picked as affording a liberal yield "with but a slim chance of depreciation before the fund can be reviewed again" actually showed greater appreciation than the securities which were purchased solely with the thought of appreciation in mind.

What is required for good investment results, in addition to ability to analyze past results and forecast future trends, is a certain intuitiveness. This is more a gift to be developed than something which can be obtained from a book.

5-1 Zeller Split Vote Next Week

MONTREAL (Staff) — Shareholders of Zeller's Ltd. will meet Feb. 24 to vote on a bylaw subdividing the company's no-par-value common stock on a five-new-for-one-old basis.

At present company has 150,000 authorized, 125,000 outstanding common shares. Effect of the split will be to increase outstanding common to 750,000 shares and issued common to 625,000. Company has no funded debt. There are 40,000 authorized and issued 6% cumulative redeemable preferred shares, $25 par, and 80,000 authorized, 78,055 issued 5% cumulative redeemable preferred shares, $25 par.

Common shares have been selling recently at around $65 as against $52 two weeks ago and a low of $39 in 1949. Six-months earnings for the period ended July 31, 1949, amounted to $3.97 per share compared with $6.80 per share for the full fiscal year ended Jan. 31, 1949. Total dividend payments on the common for the fiscal year ended Jan. 31, 1950 were $2.50 per share including a 50 cents extra.

Mexlight, Mexelectric Holders Approve Plan

The first mortgage bondholders of Mexican Light & Power Co. and of Mexican Electric Light Co. overwhelmingly approved the plan of arrangement affecting the security holders of Mexican Light & Power and its subsidiaries, Mexican Electric Light Co. and Pachuca Light & Power Co. at meetings in Toronto this week.

Holders of Mexlight bonds amounting to $3,388,500, voted in favor and holders of $9,500 voted against the plan. Holders of Mexelectric bonds amounting to $1,621,800, voted in favor and holders of only $9,000 voted against the plan. Of the votes cast, therefore, over 99½% were in favor of the plan.

Bonds of Woodhouse Realties Offered; For New Building

Public offering of a new issue of $800,000 4½% first (closed) mortgage sinking fund bonds of Woodhouse Realties Ltd. is being made by Gairdner & Co. The issue, dated Feb. 1, 1950, and due Feb. 1, 1970, is being offered at $100 and accrued interest to yield 4.50%. Principal, interest and sinking fund will be unconditionally guaranteed by Woodhouse & Co.

Woodhouse Realties Ltd. was incorporated in January under Quebec laws and has acquired about 553,000 sq. ft. of land in Ville St. Laurent from its parent company, Woodhouse & Co., for $231,500.

Proceeds of the bond issue are toward the construction of a combined warehouse and office building of completely modern fireproof construction and occupying about 130,000 sq. ft. at an estimated cost of $800,000. Woodhouse & Co. undertakes to provide as required any funds over proceeds of the bond sale necessary to complete construction.

The Woodhouse business in Canada was founded in 1911 when a branch of the British & Colonial Furniture Co. of London, England, was opened in Montreal under the name of Woodhouse & Co. Woodhouse & Co. is now an affiliate of the Great Universal Stores Ltd. of London, Eng., one of the largest retail furniture and clothing store chains in the British commonwealth. It now operates over 80 stores and branches in the Province of Quebec, Ontario and New Brunswick.

Woodhouse & Co. acquired the Adams Furniture Co., Toronto, in 1937 and obtained the controlling interest in La Compagnie Legaré Ltée. in 1941 and C. W. Lindsay & Co. in 1944. At Dec. 31, 1949, it owned all the common stock and 21,138 of the total of 29,622 preferred shares of La Compagnie Legaré Ltée. and 25,017 out of the total issue of 33,008 common shares and 2,715 out of the total issue of 4,412 preferred shares of C. W. Lindsay & Co.

The Realty Co. has been formed to meet the urgent need of centralized warehouse and office facilities of the Woodhouse group which, during the life of the bonds, will lease the facilities from the realty company for amounts which in total will provide the funds required to meet all operating expenses and charges on the bonds.

The occupation of the new building by the Woodhouse group will permit cancellation of present leases of existing warehouses which, coupled with economies to be obtained by centralized warehousing, delivery and office services, are expected to result in direct savings to the group estimated to be in the neighborhood of $150,000 annually, President Sydney Levitt states in the prospectus. Maximum manual interest on the bonds to be issued is $36,000 and total annual interest and sinking fund payments amounts to $62,475. The sinking fund is designed to redeem 100% of the bonds by maturity.

Capitalization of Woodhouse Realties Ltd. on completion of the financing will consist of $800,000 4½% bonds due Feb. 1, 1970, and 8,000 authorized, 2,315 issued, no par value common shares.

The Realty Co. will have the same management as the Woodhouse group. Its directors are Sydney Levitt, president; M. Levitt, vice - president; Eric Levitt, Lazarus Phillips, K.C., and A. D. Styles.

Expect $8 Million New Issues For Brewers and Distillers

MONTREAL (Staff) — New issues totaling $8 millions of Brewers & Distillers of Vancouver Ltd. are expected next week in connection with the company's purchase of control of Western Breweries Ltd.

The offering is understood to consist of $4 million 4¼% first mortgage and collateral trust bonds due Feb. 15, 1965 and $4 million 5% convertible sinking fund debentures due Feb. 15, 1967. Both issues will be offered at par by a selling group headed by W. C. Pitfield & Co., it's understood.

The debentures will be convertible into Brewers & Distillers common stock on the basis of 50 shares of common for each $1,000 debenture held. Debentures may be exchanged for common stock at any time up to the close of business on the day prior to any date fixed for redemption.

Proceeds will go toward cost of acquiring all the outstanding common stock of Western Breweries under an offer of $31.50 per share made earlier this year. The original offer expired Feb. 10, and has been extended to March 17. On Feb. 10, holders of 90.5% of the 269,265 Western Breweries shares outstanding had accepted.

The sinking fund for the bonds will involve annual payments sufficient to retire $200,000 principal amount annually, and for the debentures, 25% of consolidated net earnings in excess of $600,000 with the maximum payment in any one year of $150,000.

Combined net earnings available for bond and debenture interest in recent years include; 1946, $1,260,000; 1947, $1,664,000; 1948, $1,651,000. Net earnings of Western Breweries for the fiscal year ended Oct. 31, 1949 plus net earnings of Brewers & Distillers for the 10 months ended Oct. 31, amounted to $1,586,000. Maximum bond and debenture interest upon completion of the present financing will be $370,000 annually.

Hotel Sell-Out Ends Foundation Of Cardy Corp.

MONTREAL (Staff) — Special general meeting of Cardy Corp. will be held here Feb. 21 to change the name of the company to Sheraton Ltd., it is announced.

Meeting will also vote on a proposal to change the head office of the company from Toronto to Montreal, to change the fiscal year end to April 30 (now the first Saturday in June); and to create an executive committee.

Control of the company was recently purchased by Sheraton Corp. of America from Vernon G. Cardy. The class B stock was formerly held by Cardy Foundation, which is being wound up. Set up as a charitable organization to educate through scholarships persons interested in the hotel field, the foundation's charter was amended prior to the sale and no assets are held, The Post is told. The original charter's provisions were never brought into operation, it is stated.

EXECUTIVE AVAILABLE

For advice and installation of profit and sales control systems. Years of financial, sales and general management experience. Qualified accountant. Age 50. Temporary or permanent association considered.

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Sales and manufacturing rights are available to reliable manufacturer for new type of package manufactured from plastic and laminated wood. Easily constructed at low cost. Large market certain at home and Caribbean area.

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Well established ethical pharmaceutical manufacturing business, with good additional English and American agencies in Ontario city. 1949 statement shows splendid return, will stand closest investigation. Premises can be leased or purchased. Full information will be furnished reliable person or firm interested.

BOX 49, THE FINANCIAL POST, TORONTO.

THE MONTREAL

CITY and DISTRICT
1846 SAVINGS BANK 1949

One hundred and third Annual Report

GENERAL STATEMENT
DECEMBER 31st, 1949

LIABILITIES

To the Public:		
Deposits bearing interest, including interest accrued to date	$161,236,101.59	
Deposits not bearing interest	2,611,019.48	
Charity Donation Fund	180,000.00	
Other Liabilities	130,623.98	
		$164,157,745.05
To the Shareholders:		
Capital Stock	$ 2,000,000.00	
Reserve Fund	4,000,000.00	
Balance of Profits carried forward	543,485.00	
Dividends outstanding	201.48	
Dividend payable January 3rd, 1950	70,000.00	
		$ 6,613,686.48
		$170,771,431.53

ASSETS

Cash on hand and in Chartered Banks	$ 15,967,575.12	
Dominion and Provincial Government Bonds	122,186,517.78	
Canadian Municipal and School Corporation bonds and debentures	20,075,944.58	
Other Bonds and Debentures	6,845,113.73	
Sundry Securities	372,466.73	
Call and Short Loans, secured by collateral	3,756,968.60	
Other Short term Loans	12,761.96	
Loans to Fabriques de Paroisses or to Religious Corporations	43,000.00	
Loans secured by hypothec	49,518.92	
Charity Donation Fund, invested in Dominion and Canadian Municipal Securities approved by the Dominion Government	180,000.00	
		169,489,867.42
Bank premises (Head Office and Branches)	1,250,000.00	
Other Assets	31,564.11	
		$ 1,281,564.11
		$170,771,431.53

On behalf of the Board,
D. A. HINGSTON, President.

T. TAGGART SMYTH, General Manager.

A Sound and Profitable Business

The "Thomson Group" of daily newspapers covers such important centers as Galt, Guelph, Sarnia, Woodstock, Chatham, Welland, Port Colborne, Timmins, and Kirkland Lake in Ontario, as well as Moose Jaw, Saskatchewan, and Quebec City.

The Thomson Company Limited owns, operates and makes available to this group of outstanding daily newspapers the advantages of centralized business control and national advertising contacts, while maintaining the local characteristics of the publications. We offer as principals—

The Thomson Company Limited
First Mortgage Sinking Fund 4% Bonds
Denominations: $500 and $1,000
Price: 100 and interest to yield 4%

Earnings available for bond interest in the first six months of 1949 after provision for depreciation, amounted to over 9 times interest requirements on this issue for the period.

Circular gladly furnished upon request.

Wood, Gundy & Company
Limited

Toronto Montreal Winnipeg Vancouver
Ottawa Hamilton London, Ont. Kitchener
Regina Edmonton New Westminster Victoria
New York Halifax Quebec London, Eng.

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Persons intending to take up permanent residence in the United Kingdom or any other part of the Sterling Area are particularly invited to consult us.

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A CANADIAN CHARTERED BANK

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$150,000.00 REQUIRED

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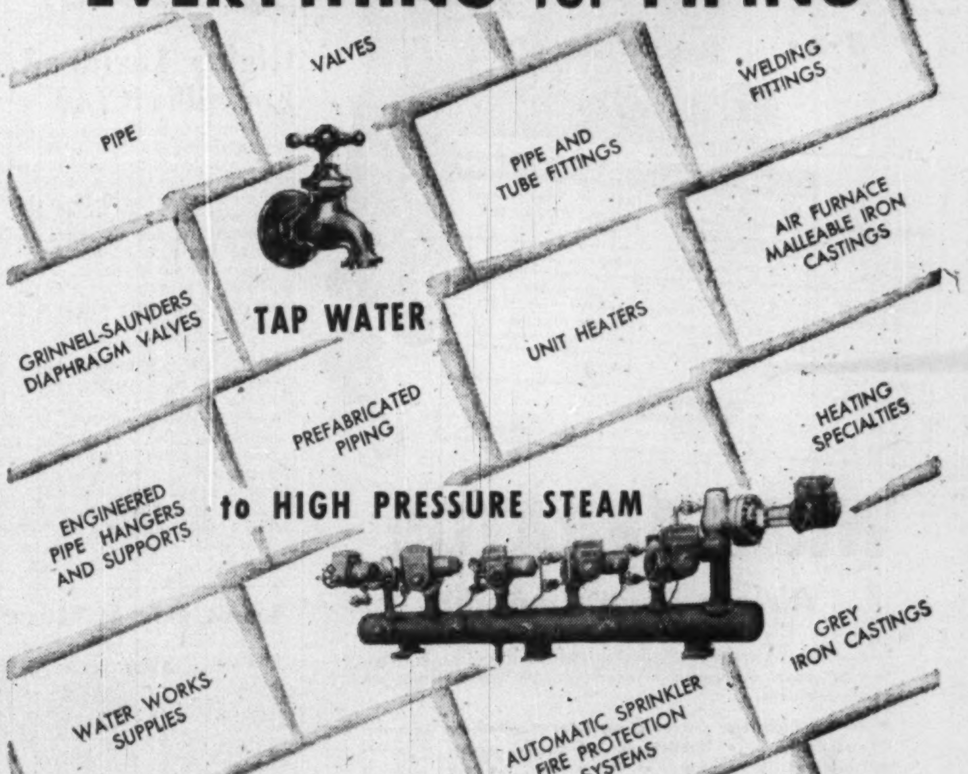

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GRINNELL

Grinnell Company of Canada, Ltd. Montreal, Toronto, Winnipeg, Vancouver. Grinnell jobbers in principal cities.

CHARLES H. POOLE

Has recently become a member of the well-known Insurance Agency and Brokerage firm of Tuckett-Little and Firstbrook Limited, it is announced by Mr. F. M. Little, President. Mr. Poole is widely known in Toronto and throughout Ontario after twenty-four years' Casualty, Automobile, Surety and Fire Insurance Company and Agency experience. *

PERSONNEL ASSISTANT

Large Winnipeg company requires a young man, age twenty-five to thirty, to assist in the development of its personnel program. University education with background in psychology preferred. Should have experience in job evaluation and interviewing.

Write Box 35, The Financial Post, Toronto, giving age, education, and experience, and enclosing, recent photograph.

Rolph-Clark-Stone Buys Control Montreal Firm

Rolph-Clark-Stone Ltd., has acquired control of Benallack Press Ltd., Montreal, it is announced.

"The arrangement will widen the facilities of both companies, enabling each to offer better and broader services to their customers," Frank Stone, president of Rolph-Clark-Stone, said.

Eric O'Connor will continue as vice-president and general manager of Benallack and will become a director of Rolph-Clark-Stone Ltd.

$5 Million Stock Offering Made By Shawinigan W & P

MONTREAL (Staff) — Public offering was made this week of a new issue of $5 millions 4½% $50 par cumulative redeemable preferred stock, series B, of Shawinigan Water and Power Co. The new shares were offered at $51.75 per share by a syndicate headed by Dominion Securities Corp.

Sale of this issue means an increase in outstanding preferred stock to $25 millions out of an authorized $30 millions. There are $20 million 4% preferred outstanding.

Proceeds will be for general corporate purposes. Company has spent over $57.7 millions up to the end of 1949 on its $95.9 millions capital expenditure program begun in 1946. Of the estimated $38.2 millions required to complete the expansion, company plans to get approximately $16.5 millions from private sale shortly of $15 millions 3% first mortgage and collateral trust sinking fund bonds in the United States; $5 millions from the preferred issue; $11.7 millions from net current assets now on hand; and the balance out of earnings in 1950 and 1951.

May Be Finished Next Year

Expansion is now about two thirds completed, and including its largest single project—the 325,000 hp installation at La Trenche—will be practically finished next year, company announced last week.

Capital expenditures in 1949 totaled $25 millions, will involve another $26 millions this year and $12.2 millions in 1951. While revenues have increased substantially, eventual benefits of the expansion program won't be fully realized until some time after its completion.

Gross operating revenues have risen over 28% since 1945 when they amounted to $20.8 millions. Last year they hit a new high of $25.9 millions ($24.8 millions in 1948). Operating expenses were nearly $1 million higher than 1948 at $15.5 millions.

Rapid progress of the expansion program is due to accelerated construction, will mean finishing nearly a year ahead of the original schedule which set completion date somewhere near the end of 1952. Company's generating capacity will be 1.4 million hp when the program is complete, an increase of nearly 60% over 1946.

Net Profits Maintained

Annual requirements upon completion of sale of the bonds and preferred stock will amount to $2,850,963 (Canadian) and $1.2 millions (U.S.) for interest and $1,025,000 for preferred dividends. Prospectus shows net profits for recent years as follows: 1949, $3,923,129; 1948, $4,251,190; 1947, $3,941,603; 1946, $3,195,721; 1945, $2,326,561.

Capitalization after the financing will consist of $200 millions authorized, $125,543,500 outstanding first mortgage and collateral trust sinking fund bonds; 600,000 authorized, 500,000 issued $50 par cumulative redeemable preferred shares; and 2,600,000 authorized, 2,178,250 no par value common shares. Of the $200 millions of bonds authorized, $145,153,500 have been used, of which in turn $19,610,000 have been redeemed through operation of the sinking fund.

Int. Pete. Reaches Agreement on Peru Exchange Problem

International Petroleum Co. has settled the foreign exchange problem which it has had pending in Peru on a reasonably satisfactory basis, President L. P. Maier states. This, together with rigid dollar economies in capital expenditures and operations, has resulted in the company's dollar position showing a considerable improvement over 1948.

In the light of recent statements by governmental officials in Colombia, it is hoped an early solution will be found for the company's acute dollar exchange problem in that country, Mr. Maier states.

International Petroleum's gross crude oil production of 40.7 million barrels in 1949 was only exceeded in one previous year, 1941, Mr. Maier states. At the same time the company's crude oil reserve position was essentially maintained through extensions and discoveries in Peru and Venezuela.

Increased production in Peru and Colombia more than offset a reduction in the Venezuelan volume occasioned by world crude oil supply conditions.

Sales of petroleum products in Colombia and Peru increased some 12.5% during 1949 and export sales of crude and products to other markets increased by 8.3% Mr. Maier states.

Photo by Garcia

NOAH A. TIMMINS,

president of N. A. Timmins Corp., has been appointed a director of the Bank of Montreal.

U.G.G. to Seek Capital Change

United Grain Growers Ltd. will apply to the Parliament of Canada at its next session for an act increasing its capital from $5 million to $7.5 million, making certain changes to the existing authorized class A and B stocks and providing for changes in provisions affecting the various classes of stock.

The changes proposed are as follows:

(1) Conversion of 100,000 unissued class "B" $5 par shares into 25,000 $20 par class "A" shares, which will increase the authorized class "A" stock to $4,625,000 or 225,000 shares and reduce the authorized Class "B" stock to $500,000 or 100,000 shares.

(2) Increase in capital stock to $7.5 million by creation and issuance of one or more classes of stock with such provisions as the company may determine; including authority to create and issue additional Class "A" shares.

(3) Repeal of the statutory provisions limiting the number of shares which may be held by any shareholder.

(4) Repeal of the statutory limitations on the qualifications of shareholders, except in respect of shares to the ownership of which is attached the right to take part in the selection of delegates or the right to act as delegate.

(5) Provision for removal of such limitation in respect of not more than 5% of such last-mentioned shares outstanding, by a resolution adopted by vote of not less than two thirds of the delegates present at any meeting.

(6) Amend the statutory provisions relating to the voting power of shareholders to provide that a holder of voting shares shall have but one vote.

(7) Provision that the delegates by a two-thirds vote, may vary or remove any limitation on the number of shares which may be held by a shareholder.

(8) Provision for the company to have the powers set forth in section 14 of the Companies Act, 1934.

(9) Provision that patronage dividends may be paid in whole or in part in shares of the company, by the application thereof toward payment of any liability to the company, by the issue of certificates of indebtedness of the company and by the application thereof in fulfillment of an obligation to make a loan to the company.

(10) Provision that a bylaw enacted by the directors in accordance with a resolution of the delegates need not be confirmed by the shareholders or delegates.

CPR Declares 75c Divd. on Common

Directors of Canadian Pacific Railway Co. declared a final dividend of 3% (75c a share) on the ordinary capital stock in respect of and out of earnings for the year 1949 payable on March 31, to holders of record Feb. 24.

While there was a slight increase in net earnings from rail operations for 1949, these earnings are still insufficient for the payment of any dividend, the directors pointed out. The dividend paid is attributable solely to the company's income from other sources, they add.

SARATOGA EXPLORATION CO. reports that a 10% interest has been secured in a 3,200-acre group of oil leases covered by sections 2, 3, 10, 11, and 15, Twp. 49, Range 18, west of the 4th on the central plains of Alberta with a first well to be started not later than Jan. 31, 1950. Interested in the same project are Texas-Alberta Co. of New York, Northern Development Co., Calvan and Tower Petroleums, President R. F. Hardy reports.

Brantford Cordage Co. Forced To Pay Divd.; Plan Stock Split

Shareholders of Brantford Cordage Co. will consider a bylaw to subdivide the presently authorized and outstanding 80,000 no-par-value common shares into 60,000 Class "A" shares carrying fixed preferential cumulative cash dividends of $1 a share a year and 80,000 Class "B" shares at a special meeting on Feb. 17. This week a special dividend was declared on the common shares as a result of the views of the department of National Revenue.

Holders would receive three-quarters of one Class "A" share and one Class "B" share for each present common share. The Class "A" shares will be convertible at the holders option into Class "B" shares on a share-for-share basis.

President W. M. Messecar advises shareholders that he intends to vote in favor of the bylaw and that he proposes to sell his Class "A" shares, if the transaction is completed, through A. E. Ames & Co. The shares will be offered at a price of $15 a share flat and he will receive a net price of $13.75 a share.

Pointing out that the situation of any other shareholder may be entirely different from his own, Mr. Messecar states "in fairness to all other shareholders, there was included in my agreement with A. E. Ames & Co. Ltd. a provision that they would make the same arrangement with any other shareholder who so desired. My agreement with A. E. Ames & Co. Ltd. contains the provisions for the protection of both parties which are usual in an agreement of that type."

It is proposed, if the bylaw is sanctioned by shareholders, that all the presently outstanding preferred shares will be redeemed. There are now outstanding 30,289 shares of $1.30 first preferred stock, par $25, which are callable at $26.50 a share and accrued dividends. Such redemption would leave no shares or securities ranking ahead of the Class "A" shares.

Brantford Cordage Co. has also declared a special dividend of $2.25 a common share, payable Feb. 20 to shareholders of record Feb. 15, the company announced this week. It has been paying 50c a year on the common since 1945.

This special dividend was declared "in compliance with the view of the Department of National Revenue (after representations on behalf of the company to the contrary) that it could and otherwise would have been deemed to have been paid to the shareholders under section 9 (6) of the Income Tax Act," a letter to shareholders states.

"Otherwise this special dividend would not have been declared, and the fact that it has been paid may restrict or eliminate future dividends which your directors might otherwise have considered proper," the letter adds.

This is believed to be the first official announcement by a Canadian corporation that a special dividend has been declared to meet the requirements of the Department of National Revenue."

G.S.W. Sales A Record in '49

Sales of General Steel Wares Ltd. for 1949 reached an all time high, being nearly 17% above those of the previous year, President F. S. Corrigan advises shareholders. While audited accounts are not yet available, preliminary statements indicate a good increase in net profit and earned surplus, he adds.

Current business volume continues at the 1949 level and the company is in an excellent position to take full advantage of the market during 1950, Mr. Corrigan states.

In 1948 the net profit was $960,157 or the equivalent, after paying preferred dividends, of $2.28 a common share.

Proposed extensions to plant and equipment, referred to in the 1948 annual report, have been carried out during the year. Notwithstanding the unusually large expenditures in this direction, a satisfactory increase in working capital has been achieved during the year, Mr. Corrigan says. Working capital amounted to $4,622,293 at Dec. 31, 1948.

Hahn Brass Declares Big Special Dividends

Hahn Brass Co. has declared special dividends, out of surplus, of $4.50 on the preferred stock and $4 on the common stock, payable Feb. 22, 1950, to shareholders of record Feb. 15. The Financial Post understands that the company's action is a result of the receipt of a letter from the Government under Section 9(6) of the Income Tax Act deeming it to have paid a dividend from undistributed surplus.

Special dividends include the preferred dividend of 50c which would normally be payable July 1, 1950 and any common dividend which would have been payable July 1, R. L. Hahn, secretary-treasurer, says.

Regular semi-annual dividends of 50c per share on the preferred stock have been paid since July 1, 1946, and semi-annual dividends of 30c per share have been paid on the common stock since Jan. 1, 1947. Participating dividends of 20c per share were paid on both classes of stock on Jan. 1, 1949 and 1950.

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3% SINKING FUND DEBENTURES

TO MATURE DECEMBER 15, 1969
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YIELDING ABOUT 3.07%

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Important reputable French group would like suggestions from serious responsible Canadian group with view establishment suitable new Canadian industry. Will furnish equipment, technical experience and part capital if project acceptable.
Write: BOX 47, THE FINANCIAL POST, TORONTO.

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To establish profitable business, manufacturing in Canada new food product having outstanding success in United States. U. S. Company, to exploit Canadian potential, will grant responsible individual or organization exclusive rights for product sold under trade marks widely advertised and well known in beverage industry. Distribution facilities already established for Eastern Canada outlets can be extended. Nominal investment will cover small amount of equipment and supplies needed to begin, without delay, operation that will provide attractive profit for aggressive management. For further details, address

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This corner has developed very rapidly during the past year, Woolworths, Dominion Stores, Tamblyns, and Laura Secords have established here. There is a lacking in stores for men's clothing, shoe stores, banks, etc. We can help you with your future locations.

Harold F. Fishleigh

2255 YONGE ST. (at Eglinton) MA. 5453 — REALTOR — TORONTO, ONT. MA. 8551

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SEVENTY-NINTH ANNUAL REPORT

THE ONTARIO LOAN AND DEBENTURE COMPANY

Presented At Annual Meeting Held February 8th, 1950

FINANCIAL STATEMENT

For the Year Ended December 31st, 1949

ASSETS

Cash on hand and in Banks	$ 860,685.14	
Deposits with and Securities of Loan and Trust Companies of Canada	149,302.92	
Dominion and Provincial Government Bands	7,012,875.47	
Canadian Municipal Bonds	28,883.18	
	8,051,746.71	
Loans on Stocks and Bonds	$ 82,485.14	
Mortgages on Real Estates— Principal less reserve	20,471,179.37	
Agreements for Sale	35,828.55	
Office Premises	90,000.00	
		20,679,493.06
		$28,731,239.77

LIABILITIES

To the Public:		
Deposits		$ 7,431,945.13
Debentures		16,028,469.48
Reserves for Income Taxes		131,261.17
Reserve for Extension of Office Premises		40,000.00
Other Liabilities		8,119.37
		$23,639,795.15
To the Shareholders:		
Capital	$ 2,250,000.00	
Reserve Fund	2,650,000.00	
Quarterly Dividend payable 3rd January, 1950	56,250.00	
Balance carried forward	135,194.62	
		5,091,444.62
		$28,731,239.77

PROFIT AND LOSS ACCOUNT

Provision made for Dominion Income Tax and Ontario Corporations Tax for 1949 ($100,000 of this amount was paid in 1949)	$ 186,000.00
Transferred to Benefit Fund for Employees	15,000.00
Provision for Extension of Office Premises	10,000.00
Usual Dividends	225,000.00
Balance carried forward to 1950	135,194.62
	$ 571,194.62

Balance brought forward from previous year	$ 110,570.40
Net earnings, before income taxes, for the year ended 31st Dec., 1949, after payment of Interest on Deposits and Debentures, Expenses and Charges	460,624.22
	$ 571,194.62

A YEAR OF ACTIVE BUSINESS AND SUBSTANTIAL GROWTH

Earnings increased to $460,624 on which Income Taxes amount to $186,000.

Mortgage Investments increased by $3,140,830 to $20,471,179

Assets increased to $28,731,239.77.

Debentures increased by $2,402,502.

Deposits increased by $1,015,907.

Cash and liquid securities held exceeded deposits by $619,801, an excess of 8 per cent.

BOARD OF DIRECTORS

ARCHIBALD McPHERSON, President — THOMAS H. MAIN, Vice-President
J. McCLARY GUNN — O. ROY MOORE — JAMES B. ORR — ALEXANDER H. JEFFERY, M.P.

OFFICERS

THOMAS H. MAIN, Executive Director
F. EARL A. McKELLAR, Manager — ALBERT J. NOPPER, Assistant Manager
ERNEST W. CARPENTER, Assistant Manager — FRED H. BURDON, Senior Inspector

Loan Inspectors: J. W. Hooton, A. R. Lindsay, G. H. Richardson

AUDITORS: A. G. Calder, F.C.A. — R. C. Cowle, C.A.
SOLICITORS: Jeffery & Jeffery

At the annual meeting of shareholders held at London, Ontario, on the 8th February, 1950, the Seventy-Ninth Annual Report as above was adopted. The Directors were re-elected and the Auditors re-appointed. At a subsequent meeting of the Directors, Mr. Archibald McPherson was re-elected President and Mr. T. H. Main, Vice-President of the Company.

OFFICES: DUNDAS ST. AT MARKET LANE, LONDON, ONTARIO

Old Age Guaranteed?

If medical science makes as much progress in the second half of this century as it did in the first the average North American citizen can look forward to a life span of almost 90 years. That would mean some very significant changes in our economic life, among them an enormous new demand for certain types of goods, and services.

Instead of only a few years of life left after normal retirement, the average man could expect a period equal to that of his youth.

In his presidential address before the annual meeting of the Sun Life Assurance Co. in Montreal this week Arthur B. Wood said:

"During the last 50 years there has been a steady and constant rise in the average length of life of the people as a whole, the expectation of life from the date of birth having increased by about one-third. A child born in North America during 1900, according to the mortality rates then prevailing, had a life expectancy of about 48 years. Today the expectancy for a male child is 66 years and for a female 71 years.

"This improvement is due chiefly to a sharply reduced mortality during infancy and the earlier and middle years of life. Medical research has made immense strides toward the elimination of many diseases regarded as formidable enemies of mankind. Since 1900, the death rate from all causes in the general population has declined by about 36%.

"This improvement has resulted from the great reduction in deaths from certain diseases, particularly the following: deaths from typhoid fever have declined about 98%; from childhood diseases (whooping cough, scarlet fever, measles, and diphtheria) by 94%; tuberculosis, 79%; influenza and pneumonia, 67%."

That is noteworthy progress, but as Mr. Wood points out the big gains have been made at the juvenile end. Only one of the specific diseases mentioned is normally associated with older people. In the next 50 years there are hopes that more progress will be made at the upper end, especially in the fields of cardiovascular and cancer research.

For assistance in such work most of the life insurance companies of Canada and the United States set up a special fund five years ago. The prevention of diseases and prolongation of life are not only of obvious interest to policy holders and life insurance companies, but as Mr. Wood observes, are of basic interest to the community in general.

Against Their Best Interests

Urban unemployed are reported putting pressure on labor unions to come out against any further immigration of displaced persons from Europe. In doing so they are acting directly against their own best interests.

It is only by bringing new skills and new blood to Canada that we can hope to develop this country to the point where it will provide jobs for all willing to work. These DP's are not coming here to replace native Canadians at lower wages but to found new industries, and develop new resources. In doing that they will be providing employment for themselves and thousands of others.

In every community in Canada there are examples. So called foreigners that came to this country, sometimes only a few years ago, are now operating new lines of business offering substantial and prosperous employment.

Communist agitators, who are said to be fanning the resentment of the unemployed against the DP's, are simply following their familiar role. Their objective is not a prosperous Canada, but the exact opposite.

A Warning Next Door

Even if our competitors in world food markets don't object to us dumping surplus farm crops outside the country at prices substantially below domestic levels, there will certainly be a tremendous kick from the Canadian consumer. Parliament would do well to keep that fact in mind when it is asked to consider Mr. Gardiner's ill advised promise of farm floor prices.

If the plans of the Canadian Federation of Agriculture materialize, not only will the Canadian consumer pay considerably more for his food than the Canadian producer is willing and eager to accept from foreign purchasers, but as a taxpayer he will also be asked to pay a heavy toll on every pound of produce we ship out of the country. And there will be no hope of turning to one line of food when he thinks he cannot afford another.

Regardless of cheaper summer production, or bountiful crops, or new and low cost substitutes, the CFA plan is a permanent floor price anywhere from 10 to 25% above the world price.

If, as is certain, this sort of thing leads to abnormally high production and farm surplusses accumulate, will there be any bargains? Not for the Canadian consumer. We'll pile the extra into storage, let it rot or give it away to some far away country. We might even pour gasoline over it and burn it, if we want to be as reckless and foolish as they have been in some countries where this floor price nonsense has been tried.

MP's needn't try to pretend they don't know where floor prices lead. All they have to do is to look across the border into the United States.

There they will see food rotting in storage, consumers kicking about high prices, everybody kicking about high taxes and farmers kicking about government controls.

And that could happen here.

What Would It Cost?

Heavy pressure is being put on Ottawa to abolish the means test in old age pensions. "Give it to everybody, give it earlier and make it larger," is the plan.

That policy may come and it may be highly desirable but we would be well advised first to find out something about the cost. In the present campaign very little is heard on that score.

In a recent talk to a group of labor unionists Dr. Albert Rose of the University of Toronto stressed some sobering statistics. The present basic pension of $30 a month, allowed only to citizens over 70 who can prove need, he pointed out, costs the federal treasury $135 millions a year. This is from four to five per cent of total revenue. The cost has almost doubled since 1944 and because we are living longer than we formerly did, the cost will probably double again in the not too distant future.

To raise the present minimum to $50 a month and pay to everybody after 65, would raise our total pension bill to $785 millions.

That would mean for pensions alone an expenditure double the whole federal budget not so many years ago.

"Removal of the means test should be gradual," warns Dr. Rose, "and only after we have introduced a system of contributions by all taxpayers."

That looks like advice well worth considering.

Confidence Still Counts

It should be news to no one that 1950 puts competition back into business; that salesmen who, for a decade, haven't had to do much more than go through the motions, now have to get their socks pulled up tight and high.

But a great deal has happened since salesmanship was last in flower.

"There has never been so 'fast' a market in all history," Advertising Age wisely observes. "Today's darling-product can become tomorrow's dog almost in the twinkling of an eye."

Synthetic detergents, which have raised unmerry revolution in the whole soaps field are just one example. Says Advertising Age:

"Packaged vitamins moved into a commanding position overnight and then moved out again so quickly that a score of manufacturers who one day thought they had a handsome new profit maker, woke up the very next day to discover they had a very large, and very costly white elephant on their hands. Antihistamines and ammoniated dentifrices, within recent months, have gone a long way to create chaos in the cold-remedy and dentifrice fields, with long-term results which cannot yet be assessed. Toni almost single-handedly has changed the whole complexion of the beauty shop business, and even now there are vague indications that changes in women's hair styling may have a serious effect upon the growth potentials of the home permanent wave, including Toni.

"The fact is—and it is a most significant fact—that in the consumer goods field particularly, competition between brands and products has never been so savage and so swift in its effects."

But this selling by hysteria is panicking many into very unsound policies.

Have a good product, keep it up-to-date, sell it soundly and thoroughly build enduring loyalty for the brand name. Don't be panicked by upstart competitors whose product may have a sudden rocketlike rise, ending as rockets do in the equally swift descent of a useless, worn-out stick.

There is too much high-pressure selling for the permanent good of business. Dealers are being blitzed into overstocking products by full page ads in the daily papers, that cease as soon as the merchants are loaded up.

Salesmanship calls for aggressiveness, colorful appeals, and awareness of immediate trends. But in the long run what counts is sound merchandising and a solid base of consumer confidence, built of a good product and a public's continuing awareness of its merits.

Can't Have It Both Ways

If we are going to keep individual enterprise free on this continent, we must stop this business of continually trotting to the Government and asking for something to be done about this or something to be done about that. We must solve our own problems and settle our own disputes. If we keep running to the Government and asking it to do these jobs we should handle ourselves we are going to drift straight into Socialism.

That warning comes from the report of a special committee of the U. S. Chamber of Commerce. It is just as applicable to Canada as it is to the United States. In both countries, Socialism as a political party, hasn't made much headway. But Socialist theories and policies have. And there is increasing pressure on Ottawa and Washington for the state to interfere still more.

It is not always called interference, of course, but in the end that is what it will mean. And this pressure comes as often as not from the very people who have most to lose. There is not a single agency or function of government, points out this special Chamber report, "that was not established in response to the demands of some group or groups.

If we are going to stop this steady drift, then there will have to be some wholesale conversions and without reservation. When we demand that government expenditures be reduced we must mean exactly that even if it involves cutting out some nonessential government agency, subsidy, or other activity in which we may be privately interested. We are not going to get very far in this business if we simply keep passing fine sounding resolutions then hop the night train to Ottawa to try and wangle some special concession.

Basic Interest Identical

We like the idea just put out by Herman Steinkraus, President of the U. S. Chamber of Commerce. He wants the U. S. Department of Labor to be reorganized into a Department of Labor and Industry, or a Department of Labor and Management.

He said:

"When the Department of Labor was first organized back in 1913, labor needed the help of the government in order to bargain with management on a fair and equal basis. The Department of Labor was given the specific purpose by law to further the interests of labor, and nobody else.

"But now labor has grown into great strength, and the situation has changed completely, and a further step is needed. Such a reorganized department would be charged with the responsibility of promoting better understanding between labor and management, and to develop methods of avoiding strife and strikes, which cause such distress and financial loss.

"Secondly, the new Department would be charged with safe-guarding the interests of the public. As it is now, frequently both sides are partly right and partly wrong, and the public gets caught in the middle."

The basic interests of labor and of management are identical. Neither can prosper alone. But the present setup suggests that the interests are opposed.

Here it seems to us is a good way for government to help build amity and good relations; to play its most important and fundamental role as umpire and mediator; to protect the interests of the whole community against the special interests.

Napier Moore's Scratch Pad

AN EDITORIAL COLLEAGUE has just called us in high glee.

He telephoned a friend who works in the Income Tax Office and asked who would be the best person to explain a paragraph in the new depreciation regulations of the Income Tax Act.

The instant reply was: "Einstein."

* * *

AT THE CONCLUDING luncheon of the 45th annual convention of the Ontario Retail Hardware Association there was a pause following the entry of head-table guests. Then, to appropriate music, in marched 14 of the association's past presidents, each bearing a banner inscribed with the year in which he had held office.

Leading the parade was a woman, Miss E. T. (Bessie) Macpherson. On her banner, held high, were the words "I've Worked for All These Men."

For Miss Macpherson is ORHA's assistant secretary. Her father, W. F. Macpherson, was the association's secretary for many years before and after his presidency in 1914.

* * *

FROM A YOUNG MAN in Prague, Czechoslovakia, Maclean-Hunter has received a letter. He is unknown to us, but he explains that he got the address of this "renowned firm" from a very nice gentleman. Typed in the Czech language (the keyboard has a vast array of accent marks) it says the writer is in urgent need of clothing, being practically naked, and cannot buy a suit unless he has dollars. He hasn't any dollars; doesn't even know what a dollar looks like. He'd be grateful if we'd send him some, or at any rate a suit. But it's the wind-up that intrigues us. He says:

"I would like to congratulate you to the splendid victory of your national team, the HARRINGAY - RACERS, over our national ice hockey team. I liked your Canadian brothers the way they played and one of them, after the end of the victorious game, patted me on the shoulder, probably out of sheer joy of a victory just achieved. I send with this my letter many regards to all of you and what is more, many friendly kisses. I am happy."

* * *

THE COLDEST JANUARY in 75 years put Calgary's old-timers in a bad way. If you know any Calgary old-timers, that's something. They couldn't remember any worse month. And it has taken them all this time to think up an explanation for the absence this winter of the Chinook, that balmy wind which, warmed by the Japanese gulf stream and the friction caused by passing through the Rockies, will suddenly send the temperature up by an astonishing number of degrees.

It seems that the Edmonton City Council and Junior Chamber of Commerce are responsible for Calgary's lack of Chinooks. In a diabolical conspiracy with the gods they had the Chinooks routed via Edmonton—just what they're trying to do with the Trans-Canada Highway. Then, having basked in them, they routed them to the Leduc and Redwater oil fields; this to curry favor with the oil companies in the hope that they will be persuaded to make Edmonton the Oil Capital of Canada instead of Calgary.

* * *

A FRIEND OF OURS who was recently moved from Toronto to Calgary has quickly absorbed the old-timer spirit. He writes us about "a friend of his" who decided to take his wife and children for a trip in the country. The car being frozen, they used a sleigh. Bundled up, they headed along the Banff Trail. They had just reached the top of Cochrane Hill when the driver noticed the familiar Chinook arch in the sky. He quickly turned the horses and headed for home. By the time he was halfway back, the snow had melted to within half a mile of the sleigh. Whipping the horses to a gallop, he did his best to protect his hands and face from the cold. His wife crouched beside him for shelter. The children, in the back, were well protected. Nearer and nearer came the Chinook. At the city's outskirts the back ends of the runners were rasping on bare ground. At the Technical School only two thirds of the runners were in snow. The wife's dead-white face indicated frost-bite. The driver's own face and hands were stiff. But in the back seat the children were doffing their heavy clothing. At the top of Tenth Street Hill the race ended. An ambulance took the whole family to the hospital. The parents were frozen and the children were suffering from sunstroke.

The old-timers must have loved meeting our pal. We first had that story told to us in Calgary around 1912.

* * *

THE WORD "SPY," being short, is being misused in some newspaper headlines. There's a lot of difference between a man who reveals his own country's defense secrets to a potential enemy and one who gets information for his own country. All countries use spies—secret service agents, intelligence officers. Before he founded the Boy Scouts 40 years ago, General Baden-Powell did a spot of respectable spying. Disguised as an entomologist he examined Austrian fortifications and German naval dockyards. Once he escaped arrest by feigning drunkenness.

Stop Me If —

Two friends were discussing a new neighbor.

"I believe Mrs. Green is a great gossip," remarked one.

"Yes," replied the other, "she has a keen sense of rumour."

* * *

Country Constable—"Pardon, miss, but swimming ain't allowed in this lake."

City Miss—"Why didn't you tell me before I got undressed?"

Country Constable—"Well, there ain't any law agin undressing."

Cartoon by Grassick

Post Scripts

A Sulfa Drug Man

Eugene Leo Kuryloski is an American who believes in Canada, has practiced that belief with results for six years and who hopes to demonstrate it further in years ahead in an expanding market.

MR. KURYLOSKI

General manager of Sharp & Dohme (Canada) Ltd., which will open a new $400,000 pharmaceuticals laboratory in Toronto next week, Kuryloski has found his career in Canada one of the most challenging periods of his life.

Since 1944 the Pennsylvania-born executive has captained the Canadian subsidiary of Sharp & Dohme, Inc., in a rise to sales four times what he found them when he took over that year.

"That $400,000 plant investment is a measure of our faith in Canada," he says. If business conditions continue the way they have been going, the firm considers it will have to expand the plant in a few years.

Five acres have been purchased on the outskirts of the city, though plant will need no more than an acre now. Building has been constructed to facilitate extension.

Kuryloski believes more and more Canadian raw materials will be used in drug manufacture. "That is what we are going to do in our plant," he says, foreseeing better service to Canadian doctors and druggists, main purpose of building the plant. U. S. manufacturing supplies were sometimes hard to get quickly.

The 35-year-old executive stresses fact he is the only American in the whole subsidiary. Plant will be under Donald H. Harmer, operations manager. Other executives are C. G. Cornell, sales, and W. A. Walther, production manager; all are of Toronto.

Already big items, sales of sulpha drugs, antibiotics and dried blood plasma should grow in importance, the pharmacy executive predicts. His firm controls basic patents on five of eight sulpha drugs and developed the plasma drying process during the war, he says. Dried plasma for Canadian hospitals is processed from blood bought from donors at Sharp & Dohme "bleeding stations" in the U. S.

With representatives in all provinces, the firm, celebrating its 10th anniversary as a Canadian corporation, caters mainly to professional trade of hospitals, doctors, druggists and also makes widely known brands.

Born in Kingston, Pa., Kuryloski joined Sharp & Dohme after graduation in pharmacy in 1937. Also enthusiastic about Canada's forests, he is an ardent hunter and fisherman. Other hobbies are model building, woodworking. Mr. Kuryloski is married—to a Philadelphia College of Pharmacy and Science classmate—and has two daughters, and a one-year-old son born in Canada.

* * *

Sun Life's New Chief

A son of the manse is the new head of the Sun Life Assurance Co. He is George W. Bourke.

Sun Life's new president was born at Westport (about 40 miles north of Kingston) in 1896. He was educated at Montreal High School and McGill University. In the summer of 1915, backed by the recommendation of his mathematics professor at McGill, he presented himself at the actuarial department of the Sun Life and asked for a job. Arthur B. Wood, who has just retired as president, was at that time chief actuary, and gave young Bourke a chance. In the fall he went back to his studies at McGill, graduated in 1917 and also won the Anne Molson Gold Medal for Mathematics and Physics, as had his new boss 20 years before.

Before convocation, however, Bourke had enlisted in the Canadian Garrison Artillery and as a corporal was soon turning his mathematical skill to the service of war, plotting targets for the gunners on the Amiens sector of France. Severely wounded, with his right elbow joint shattered, he was invalided home in the fall of 1918.

He rejoined the Sun Life in 1919 as a $100-a-month clerk in the actuarial department and immediately undertook the intensive study necessary to become an actuary. He completed the course, with its eight examinations, in two years less than the normal period.

In the meantime, in the fall of 1920, George Bourke married Miss Beatrice Mitchell of Levis. They settled in Montreal and raised a family of three boys, two of whom were to serve in the Second World War.

In 1924 Bourke was appointed Chief of the Mathematical Department of the Sun Life, and five years later became Assistant Actuary. In 1932 he was appointed chief actuary, in 1944 general manager. Two years later he was elected a director.

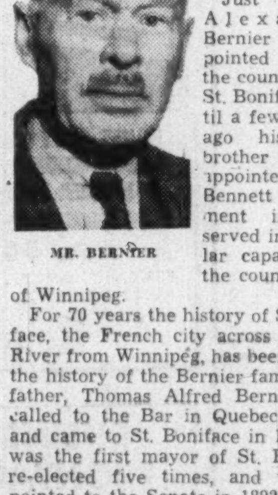
Mr. Bourke was a vice-president of the former Actuarial Society of America and served two terms on the council of that body. He is a governor of the Society of Actuaries and a past president of the Canadian Life Insurance Officers' Association. He is a director of the Bank of Montreal, and a member of the Board of Management of the Montreal General Hospital.

He is a member of the Mount Royal Club, the University Club and the Royal Montreal Golf Club. The Bourkes live in Westmount, with a summer home at Lac Manitou in the Laurentians.

* * *

Two in the Family

It is rather rare to have a government choose for the bench a prominent supporter of another party. It is likewise rare to have two judges coming from one family. But the Berniers of St. Boniface qualify in both cases.



MR. BERNIER

Just recently Alexander Bernier was appointed judge of the county court, St. Boniface. Until a few months ago his older brother Joseph, appointed by the Bennett Government in 1933, served in a similar capacity for the county court of Winnipeg.

For 70 years the history of St. Boniface, the French city across the Red River from Winnipeg, has been in part the history of the Bernier family. The father, Thomas Alfred Bernier, was called to the Bar in Quebec in 1869 and came to St. Boniface in 1880. He was the first mayor of St. Boniface, re-elected five times, and was appointed to the Senate in 1892. Of the five sons in the family the clergy claimed two and three were lawyers.

The new judge was born in St. Boniface in 1888, attended St. Boniface College in which a brother, a member of the Jesuit Order is a lecturer, and graduated from the University of Manitoba in 1907. He articled in law with Hon. E. J. McMurray, former Solicitor-general of Canada and one of the leading criminal lawyers of the West.

Outside his professional interests the new judge's associations have been largely with the French-speaking interests of this community. He was seven years a member of the St. Boniface school board. He is a former president of La Societé St. Jean Baptiste of St. Boniface, a member of L'Association d'Education des Canadiens Francais du Manitoba, and in his younger days president of Les Voyageurs, one of the province's leading snowshoe clubs.

He was appointed a King's Counsel in 1937. Like his father and all the members of the family he has an alert and retentive mind, a fluent tongue, a courtly manner, and a strong social conscience. He is married and has three children, a son in Los Angeles and two daughters at home.

What Others Are Saying

Editorial of the Week

Do We Want This Folly?

Vancouver News—Herald

If there is a farm emergency continuing, it is due to government-sponsored overproduction subsidized at high-cost levels. The business of the world is still on a competitive basis. If other peoples cannot buy our agricultural products, it is because we have priced ourselves out of the market. The answer is not to maintain high prices but to meet competition. Price support is a fool's paradise.

It is worse than that. It is a millstone around the domestic consumer's neck. He pays high prices for foods and at the same time pays taxes for an extravagant policy of building up surpluses that must be destroyed or given away.

We have the example of the United States to warn us of the folly of this delusion. That country spends hundreds of millions of dollars to keep prices up. Now it is giving away and destroying potatoes, eggs and other foods that people could have eaten if the price had been within reach.

Do we want that kind of spiral of folly?

Other People's Views

WEATHER is honest in the north, boasts the **Timmins Press.** "Northerners know what to expect of it and it never fools them. If Santa brings a pair of skates, a hockey stick, skis, or sled to north country youngsters you can be certain as night follows day that they will get the full use of them. What an advantage they hold over their southern friends. And, what is more, they get a lot more fun out of the winter."

ADDING YEARS to a man's life is not enough, says the **London Free Press.** If research workers are about to endow the average man with the capacity for greater longevity, it is time that the philosophers and the educationalists provided man with quality of mind to endure this long experience in the flesh, and with vocations and hobbies to appease and satisfy this restless and inquiring faculty."

ONLY WAY LEFT to bring the price of housing down is to cut costs to the bone, says the **Vancouver Province.** "This is a job for laboratories and the builders and it may involve development of materials and construction procedures never considered before. One thing is sure. We will open an entirely new field of building activity and employment when we succeed in producing a truly low-cost home, one within reach of thousands of home-hungry families who are repelled by current costs."

DAYS OF BIG TREES are numbered even with conservation, warns the **Victoria Times.** "The pace of modern logging and the gradual development of the 'forest crop' policy — whereby the woods are farmed rather than mined for their riches — indicate that the great stands of mature timber with which most residents of this province are familiar must eventually be used up. And long before that day, the bulk of our lumber cut will be from much smaller trees, planted naturally or from nursery stock, and allowed to grow to merchantable size for the market."

LOWER COST of production is the vital need of Canadian farming, asserts the **Toronto Globe and Mail.** "The Canadian Federation of Agriculture, representing some 1,500,000 farmers, would be performing a real service to its members if it would campaign as hard for efficient production at lower costs as for the extension of costly, wasteful and inefficient subsidy programs. Instead, it complains that the Government is not spending up to the full $200 millions to support farm prices. If it did, similar or greater appropriations would be needed in the succeeding year — and farmers as taxpayers would be contributing their share of this cost in both direct and indirect taxes.

"Whether the objective is greater consumption at home or wider markets abroad, the one answer is lower production costs. If we can't sell competitively, we can't sell. And subsidies merely postpone — at great and useless cost — the day when we must compete in any event."

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Subscription Terms: Single copies, 15c. Yearly: In Canada and British Countries (except Australia), $5; Australia, U.S.A., Mexico, Central and South America, France, Spain, $6; other countries, $7.

Advertising Rates: Single insertion, $4.90 per inch. Contract terms upon request.

Authorized as second-class mail, Post Office Department, Ottawa.

Main articles indexed annually by The Financial Post and in The Canadian Index of The Canadian Library Association, published 10 times yearly and cumulates annually.

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Publishing Company Limited
481 University Avenue, Toronto 2.

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OTHER SERVICES: Canadian Press Clipping Service, Commercial Printing Division.

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CHICAGO 6: 309 West Jackson Blvd., Harrison 7-7890.

LONDON: Maclean-Hunter, Limited, Sun Life of Canada Bldg., Trafalgar Square, London S.W.1. Cable Atabek, Whitehall 6642-3.

Feb. 18, 1950

New Troubles Besetting the British

Devaluation Unleashes New Pressures; Can She Contain Them?

Kenneth R. Wilson, The Post's Ottawa editor, has just returned from a visit to London with Canadian members of the Anglo-Canadian Trade Committee. While there he made an examination of the economic difficulties facing the British. Here is what he found:

By KENNETH R. WILSON

Are strong external forces—unleashed by devaluation—thrusting Britain head on into an inflationary bust? What has devaluation done to the nation's economy, to the whole sterling area economy? Beneath a surface picture of booming prosperity what dangers lurk for Britain today—and can she contain them? What is the portent for Canada-U. K. trade?

In the hubbub of election campaigning these are questions that no one worries about aloud. But they're getting plenty of close attention behind the oak-paneled walls of Westminster where the economic planners plot the nation's destinies.

Inflation is a more real and advancing threat to Britain today than at any time in the postwar period. Related and equally threatening is the worrisome problem of unrequited exports, the huge drain on the economy that is represented in a billion-dollar annual outflow to the non-dollar area in releases on sterling account held in London, in U. K. capital investment in the non-dollar world.

Keeping the lid on the boom is a highest-priority problem and some top authorities are frankly worried, though not at the Treasury. Cripps & Co., publicly at least, are confident the problem will be licked. Four and a half years controlling inflation probably inspire them with this easy confidence; this also, in the view of some of their colleagues in other government departments, may also be blinding them to the gravity of the present problem.

The Dangers Are Observed

What's the problem? Where lie the dangers?

The domestic scene gives no hint of the stress and play of forces that could tear the lid off the British boom. There's a buoyancy in the air that's been lacking for perhaps 20 years. Production is booming. Earnings are high. The people are, overall, well fed, well clothed. To date, management and labor have been working closely in harness. Wage rates have been kept firmly in line. Living costs are heavily subsidized.

Strict regimentation, controls and taxes that would be intolerable by North American standards have siphoned away a large part of the national output for export; have been—grudgingly it's true—accepted as part and parcel of the welfare state, a necessary price of postwar readjustment.

Thus far Britain has been able to control the boom. She's kept the lid on more tightly—and so far more successfully—than perhaps any other of the Western democracies.

She has, to date, averted the smashing impact of last fall's 30% devaluation against the U. S. dollar; the dark forebodings then of the likely effect on living costs have not, as yet, materialized.

Averted? Or postponed?

Here lies the problem, the threat, the new inflation:

Steadily, since last September, sterling prices for wool, rubber, wheat, leather and other primary products have been winding up the price spiral.

Devaluation automatically had made dollar prices of these and other primary products 30% to 40% dearer to Britain. Now sterling prices are up to or reaching up to the American level.

These soaring prices mean a fresh sterling spree for Australia in particular. Recent wool auctions boosted her wool prices 15% to 25%. Her wheat is currently 30% dearer than predevaluation; even higher on sales outside the International Wheat Agreement.

Heavy Blow To Planners

This movement represents a heavy blow to the calculations and hopes of Britain's economic planners. They see real trouble ahead—unless there's a world slump in food and other prices later this year. This represents new pressure on the British economy—pressure of a kind Britain can do little to ease. (Between September and December alone the index of U. K. raw material prices soared from 119 to 131; of imports from 111 to 124.)

This pressure has a double impact; on Britain in higher prices for sterling area raw materials, foodstuffs, etc.; on the whole sterling area in stimulating inflationary spending and thus bidding up British manufactured goods in this area against falling dollar markets.

It is not difficult to visualize how far this could go; how it could bedevil British efforts in the dollar markets and consequently slow down world trade recovery.

A London business publication puts the problem this way:

"Government negotiators . . . would have better chance for success (in keeping increases in food and raw materials down) but for the awkward fact that the readjustment of all soft currencies against the dollar has, in the case of many products, set a new price standard based on the dollar and no longer on soft currencies. That is a natural and inevitable consequence to which the British economy will have to adjust itself in 1950."

Treasury Unconcerned But—

What's the Treasury view?

Officials profess no great concern. I was told the British retail price index (1947—100), presently at 113, will rise only one point between now and June. It was argued that the Cripps austerity budget had done its job; that consumption in many lines was down, the price line would be held.

This easy optimism isn't shared in other departments. The prediction of many is that the next budget must be tougher than anything before to hold the lid down; that Britain will have to adopt a completely new and hardboiled attitude toward "unrequited exports" throughout the nondollar area if the fires of inflation are to be damped down there.

What are these unrequited exports and how is Canadian trade affected?

These are exports for which Britain receives no imports in return. They're paid for out of sterling accounts held in London; they represent releases on sterling account and British capital investment in the non-dollar area; account for about one-quarter of all British exports to the non-dollar area since 1946.

The effect on Canadian trade is this. That scores and scores of British manufacturers, despite the fact of devaluation bringing British prices into line in Canada, are still largely if not wholly insulated from dollar exports by the lush sales and profit opportunities of the sterling area. Thus none of their productivity goes into dollar-earning. Thus brakes are applied to the progress toward world trade recovery and currency convertibility on which Canada so largely depends for a prosperous future.

There's this further important aspect. The amount of sterling account releases and capital investment represented in unrequited exports has, since the war, about equaled the total of Marshall Aid Britain has received. Thus, as fast as North America has been pumping dollars into Britain she has been pushing out dollars, gold and goods into her own nondollar world.

Defense and political reasons are cited to justify this action. It has provided a vast reservoir of employment for British workers. But it is also the reason why Canadian buyers continue to find British order books filled when they go after early, competitive delivery dates on some lines of British goods.

What The Figures Show

A compilation made for The Post and checked in London and Ottawa of the unrequited export picture shows the following for the period Jan. 1, 1946 to June 30, 1949:

	£ Millions
U. K. exports to non-dollar countries	3,174
Other current receipts (net)	164
Less: imports from non-$ areas	3,093
U. K.'s Export Surplus	245
Add: U. K. shipments of gold and dollars to non-dollar areas	565
Total: Unrequited Exports	810

(**Note:** A small deduction should be made from this total, representing part of U. K.'s export surplus sent to Europe under ECA regulations and which is not strictly "unrequited." After making this deduction the net amount would be approximately £773 millions for the period).

Thus, in terms of dollars (at the current rate of $3 Canadian) it will be seen that out of annual sales of close to $4 billions to the nondollar area Britain has received imports of only $3 billions.

A breakdown shows that out of this annual $1 billion outflow about $580 millions has been in the form of released sterling balances; $420 millions in capital investment. It has to be noted however that if Britain hadn't been making large new capital investments in the sterling area it's likely that she would have been pressed for greater drawings on sterling balances.

What's To Be Done?

These figures are highly revealing as to the extent and nature of this huge drain on the British economy. They also represent a solid underpinning of the sterling area inflation which now threatens the British economy.

What's to be done about it?

British Treasury officials made it clear to me that Britain would welcome American and Canadian aid in solving this problem; although there's a fear in other departments that the price might be loss to North America of traditional markets for U. K. goods, at least in part.

Important talks to work out a plan started in Washington right after devaluation and Canada has been represented at the talks, though not at a level high enough to please U. K. negotiators.

For obvious reasons the U. K. election brought these talks to a temporary halt. Now, with the inflationary problem looming so large, it's feared they won't get going again soon enough or with sufficient impetus to ensure Congressional action in the present session, a fear heightened by the current row in Washington over British policy on oil and the Fuchs atomic secrets sensation.

The coming fight over 1950-51 ECA appropriations, the November U. S. elections are likely further to complicate negotiations.

30-Year Funding Solution?

One solution—and the simplest—put up by the British is that Britain should fund her present outstanding wartime sterling balances over a 30-year period with U. S. and Canada underwriting dollar purchases of the countries involved over and above the amount of annual U. K. capital and interest payments.

Actual amount of the outstanding balances to be funded was put to me as between £1.5 billion and £2 billions. Chief countries concerned: India, Egypt, Ceylon, Iraq, Palestine, Burma.

Annual cost to Britain of funding was estimated at £60 millions to £70 millions—sharply below releases Britain has been making in recent years.

In consideration of Britain at the same time limiting her capital expenditures in these areas, Canada and U. S. would underwrite the dollar needs of these countries up to a stated amount for the next few years.

Figures cited earlier show it would be insufficient merely to deal with the sterling balances. Though almost half of Britain's unrequited exports to the non-dollar area are in the form of capital investment, when the figures for the sterling area alone are examined it's found that about two-thirds of the drain on Britain is in capital account.

This means that Britain has been in one sense living beyond her means; using ECA aid to maintain and strengthen her overseas connections in the non-dollar area. In part, she's been doing this by depriving her own people of production that might otherwise have been used at home or diverted to improve her dollar position.

This then is the backdrop to the British election, the problems the next British Government will have to face in the long pull to put the nation back on its feet. And problems which could have far-reaching effects here in Canada.

Edmonton CNR Hotel Steel Let

Edmonton's and CNR's Macdonald hotel addition, according to the railway's Chief Architect George F. Drummond in Montreal, will be "a dignified expression of our times"; won't follow the architectural style of the 35-year-old existing building.

CNR President Donald Gordon last week announced award of contract for steel work to Western Bridge & Steel Fabricators Ltd., Vancouver.

British Order in 1950 Set For Ontario Flue Tobacco?

It looks now as if the U. K. market can be counted on to take at least as much of Canada's 1950 flue-cured tobacco crop as it took of last year's record harvest.

Basing its 1950 tobacco acreage allotments on this expectation, the Ontario Flue-Cured Tobacco Marketing Association has announced that Ontario growers this year will be permitted to produce 83% of their base acreage (prior to 1948, association members had been permitted unlimited acreage for five years). The Board also decided against accepting any new farms into the marketing association this year.

Despite fears of even sharper export cuts, owing to overseas dollar conservation programs, U. K. and the West Indies took around 18 million pounds from Ontario's 1949 flue-cured crop. Since practically all of last year's crop has been sold it means that buyers for domestic account have taken close to 100 million pounds—estimates on last year's record crop are placed at around 117 million pounds. But domestic consumption is running around 78 million pounds having increased 5% each year for the past five years. This adds up to two important conclusions; first, assuming the annual 5% consumption increase continues into this year and that the U. K. will take as much flue-cured tobacco as last year—there is an indicated market of around 100 million pounds for Ontario's 1950 flue-cured crop; second, some 20 million pounds from 1949 crop were added to depleted stockpiles.

During and following the war leaf stocks for domestic purposes were reduced to phenomenally low levels. In the rebuilding of stocks to normal proportions, manufacturers will likely aim at stockpiles representing approximately two years' demands. Although a sizeable chunk of 1949's purchases went to swelling the stockpile, manufacturers have a considerable way to go yet, The Post is informed.

An exceptionally high yield from last year's 86,252 acreage produced a much larger crop than had been anticipated. Although some buyers indicated at the recent Simcoe meeting of the Marketing Board that they would prefer to add further to surplus stockpiles, Board directors expressed the opinion that this would not be to the advantage of the flue-cured tobacco-growing business. At one district meeting of growers the suggestion was made that the Marketing Board might more actively explore other overseas export market possibilities.

Average price paid for the 1949 crop is around 42½c. a pound. This is also a new high and means that Ontario farmers have received around $50 millions for their flue-cured crops.

Dealing with one highly controversial subject among growers the Marketing Association has decided that interchanging or renting of growing rights between members would be prohibited. A resolution was also passed to the effect that any member found to be in excess of his growing allotment will be required to destroy such excess acreage in one block of his own choosing. It was also decided that the more important phases of acreage allotment, measurement, etc., will be the duty of the whole Board to determine.

Dr. N. A. MacRae, head of the tobacco division of the Federal Department of Agriculture reported to the meeting that Canadian tobacco was being well received by manufacturers and dealers in the U. K. A resolution was passed imploring the Federal Government to lower the excise tax on cigarettes.

Alberta Credit Union Reports Higher Assets

From Our Own Correspondent

EDMONTON — Since 1947, the Alberta Central Credit Union, Ltd., has grown from 92 unions and co-operatives to 133 affiliated organizations, President H. F. Frances disclosed at the annual meeting.

He said loans last year totaled $206,925, compared with $49,775 in 1947. Share capital and deposits rose from about $49,000 to $111,500.

At the close of 1949, the comparative balance sheet showed assets of $156,586. Of this, $19,888 was cash in the bank and on hand, $116,000 in outstanding loans and $20,164 in bonds and savings.

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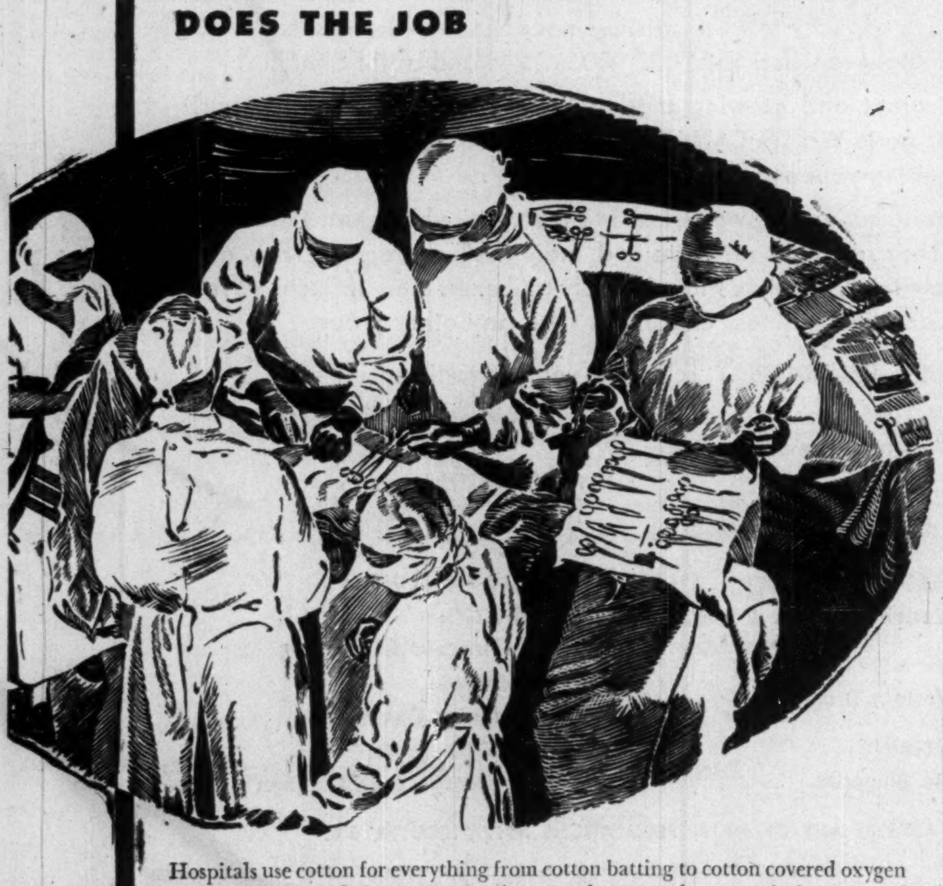

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Our Next Governor-General?

The Question: Who should Canadian Government recommend that British appoint as our next Governor-General and why?

A tone of reluctance to drop Canada's last remaining tie with Great Britain can be noted in majority of replies to this week's Financial Post question. As some see it, there is no interference with Canadian status by having a Britisher as His Majesty's representative in Canada. The position is only symbolic, and in view of the prospect of further economic clashes expected throughout the world Canadian people in their own best interest should hold to that symbol, some replies state.

Correspondents name the men they think should hold the position—Rt. Hon. W. L. Mackenzie King and Hon. Vincent Massey as Canadian choices and a repeat term for Viscount Alexander as British representative. The former two would be thus honored because of their contribution to public service, and the latter because of his world-renowned war record, his diplomatic ability and popularity with Canadian veterans. Also suggested were the Duke of Edinburgh, Viscount Montgomery, Lord Mountbatten, Lord Beaverbrook.

T. F. AHEARN, President, Wallace Realty Co., Ottawa.

While we should remember with gratitude the long line of fine and distinguished men who have been sent to us as Governors-General, the time has obviously arrived to follow the example of the other Commonwealth countries. In my opinion, Rt. Hon. Vincent Massey is outstanding in his experience and his qualifications and in service to Canada.

* * *

DR. M. A. CAMERON, Department of Education, University of British Columbia, Vancouver.

The Government should not hesitate to recommend a Canadian from time to time if suitable persons are available. The person chosen should have solid national and preferably international reputation, without conspicuous party affiliations and not a clergyman. He should have much personal dignity and should if possible be a reasonably palatable speaker. I suggest Vincent Massey.

* * *

RODDY CHOQUETTE, President, Burnett's Ltd., Montreal.

Viscount Alexander should be invited to remain for another term. True, this may shatter tradition but this decade has seen the breaking down of many a time-honored custom. No finer example need be cited than the second and third term of the late Franklin Delano Roosevelt.

As soldier, statesman and diplomat, Viscount Alexander is renowned the world over and respected. Completely bilingual, both he and Lady Alexander have mingled freely with those of both dominant races as no governor has done before and have endeared themselves to all. Even the extremists in our midst find him beyond reproach and that is an intensely important factor.

As the international picture deteriorates it would be comforting to have him remain. Viscount Alexander is first of all the world's leading strategists and maker of headline-winning tactical generals. We might be able to use him in more ways than one.

* * *

R. G. CAVELL, Vice-president, Automatic Electric (Canada) Ltd., Toronto.

In common with all relics of archaic colonialism, the very title: "Governor-General" never fails to raise my blood pressure! What does a free, modern, North American people want with a "Governor"? The added word "General" does nothing to make the title less offensive.

If our Constitution now demands that we retain such a barbaric, outmoded office, nothing shows more clearly our need for a new constitution.

If we must still continue to be "governed" according to the narrow trammels of Colonial minds, at least let the office be filled by a good Canadian Judge who understands Canadian problems and constitutional procedures.

Since I labor in an entirely different field, I am not familiar with the individual capabilities of our judges, but I am sure there are at least a dozen or more of them, any one of whom will have forgotten more about Canadian affairs than anyone is ever likely to know who is sent from abroad to go through this pretense of "governing" us.

If, however, as a member Nation in the Commonwealth Group of countries, there is need to have in Canada a representative of the titular head of that group, then the nature of such representation should be redefined in conformity with today's reality and be so written into our much-needed new constitution.

* * *

W. J. DOWLER, Sec.-treasurer and managing director, Parrish & Heimbecker, Ltd., Winnipeg.

William Lyon Mackenzie King, the most eminent living Canadian of the past 50 years is my choice. I believe His Majesty, the King, would welcome this suggestion.

* * *

L. F. EARL, Political writer, Tribune, Winnipeg.

There is some opinion the Governor-General of Canada should be a resident Canadian. With this I do not agree. There can be no interference with Canadian status by sticking to the old tradition of having a resident of Great Britain as His Majesty's representative in Canada, provided he is acceptable to the Canadian people. The position is only symbolic and amid present world chaos, it may be important to maintain the symbol of a tie with the British Crown. If a Canadian were to be picked my choice would be Hon. Vincent Massey.

* * *

A. C. EMMETT, Managing Director, Manitoba Motor League, Winnipeg.

I have no selection. In my opinion the time has arrived when Canada no longer requires a Governor-General appointed by the British Parliament. Without in any way denying our loyalty and support of the Empire we are surely capable of conducting our own internal affairs without recourse to Britain to decide matters which our own judiciary is fully capable of doing. This should apply also to Lieutenant-Governors of provinces whose duties are more or less ornamental and who have no real control of government actions.

* * *

GEORGE FARQUHAR, Commissioner of Nova Scotia Board of Commissioners of Public Utilities, Halifax.

For our next Governor-General why not keep the man we have. The last man off the beaches of Dunkirk holds the confidence of the Canadian people to a remarkable degree. Not only has he discharged the duties of his high office to the general satisfaction but he has universally endeared himself to the people of Canada as just one of ourselves.

* * *

FRANK S. FOLLWELL, Liberal Member of the House of Commons for Hastings South, Belleville, Ont.

The Canadian Government should recommend as our next Governor-General, Rt. Hon. William Lyon Mackenzie King. Canada has now reached full stature in the family of the Commonwealth of Nations; the trend in thought in Canada is that a Canadian should fill this high office as the King's representative.

It would be a fitting tribute to a truly great Canadian and a climax to a career of service to the Canadian people to appoint Mr. King. He is well versed in all matters of state, dignified in appearance and a master of diplomacy. It is my opinion that all people in our country from ocean to ocean would welcome the appointment of Mr. King as Governor-General of Canada.

* * *

ARTHUR FONTAINE, Canadian Printing & Litho, Montreal.

With its new status, Canada should nominate a Canadian for Governor-General. A great soldier like General McNaughton would meet with general approval.

* * *

E. J. GOOS, Business Manager, Prairie Furniture Co., Saskatoon.

Suggest present Governor-General be appointed for another term, as he is held in highest esteem by all Canadians especially ex-servicemen. His war service record makes him an excellent choice as next Governor-General in view of unsettled world affairs.

* * *

P. F. HALLEY, Director, Halley Co. Ltd., St. John's, Nfld.

Less than 12 months' citizenship does not give one the right to even venture an opinion. We most certainly have the men within the Canadian nation with all the necessary qualifications to grace the position. Why go outside?

* * *

H. T. HALLIWELL, Editor, Gazette, Macleod, Alta.

I suggest Viscount Montgomery of Alamein as next Governor-General. Canadian troops served under him in Sicily and Italy; while in western Europe he was in close co-operation with General Eisenhower and American troops. As the late Lord Byng's appointment after World War I met with popular approval throughout Canada, so might Montgomery's as he has expressed a desire to see more of Canada. If however, Canadian Government preferred a Canadian, would suggest as a tribute to a long career of public service, Canada's former Prime Minister, Hon. W. L. Mackenzie King.

* * *

A. W. HANKS, Editor, St. James Leader, Winnipeg.

Under the circumstances of Canada having achieved complete autonomy, it seems to me that the King's Canadian ministers should recommend someone for Governor-General of Canada as close as possible to the King. The Duke of Edinburgh with his royal consort would no doubt bring about a high peak of public relations between the Canadian people and the Crown. The Princess Royal in her own right would be my own choice if constitutionally possible and I see no reason why not.

* * *

H. H. HATFIELD, Member of the House of Commons for Victoria-Carleton, Hartland, N.B.

Canada has now broken all but the last link with England, and stands as an independent member of the British Commonwealth of Nations. England's king is our king — and about there the connection between the two countries stands.

In Canada the King is represented by the Governor-General and in the past a long line of distinguished Britishers have held this position. For obvious reasons it was important that the King's representative here be appointed by the King, and not by the Canadian Government of the day.

In some quarters, Canada's elder statesman, W. L. Mackenzie King has been suggested as the proper man for the position, but in my opinion his age and indifferent health are against him.

Among others who might satisfactorily fill the bill the name of Lord Beaverbrook comes to mind. A native Canadian who has gone far, but still has a warm spot in his heart for Canada, Beaverbrook would be a popular choice.

* * *

E. A. HORTON, E. A. Horton Sales Co., Toronto.

Canada has arrived at independent status within the Commonwealth. We should find our nominee within our ranks; some senior statesman such as Rt. Hon. W. L. Mackenzie King. But the onerous duties of travel and ceremonies might prohibit this policy. Strong reasons are present always to retain close liaison with England. Popular favor would be given I believe to the choice of youngish aggressive, experienced Lord Mountbatten.

* * *

H. M. MEIKLEJOHN, Managing Director, Sovereign Life Assurance Co., of Canada, Winnipeg.

I would strongly favor our Government recommending that General Alexander remain at post for another term. With further clashes of economic interests to be expected throughout world in the next year or so Canadian people in their own best interests should hold to the few remaining ties we have with Britain. An understanding close contact between the United States, Canada and the British people through their respective governments is more essential today than ever before and it would appear to me that few British public men are better equipped and more admirably located than Alexander to render the type of service needed to bring about and maintain good relations between the three countries.

* * *

JAMES MACDONALD, Director and treasurer, Canada Health & Accident Assurance Corp., Waterloo, Ont.

It is part of the process of political evolution that the Government should consider recommending a distinguished Canadian as next Governor-General. Some, bless their loyal hearts, will not agree; but no shade of difference in our personal or national loyalty to Britain is implicit in the replacing of a distinguished British peer by an equally worthy Canadian. Rt. Hon. W. L. Mackenzie King is my first choice. If, regretably, that cannot be, my second choice would be the Rt. Hon. Vincent Massey.

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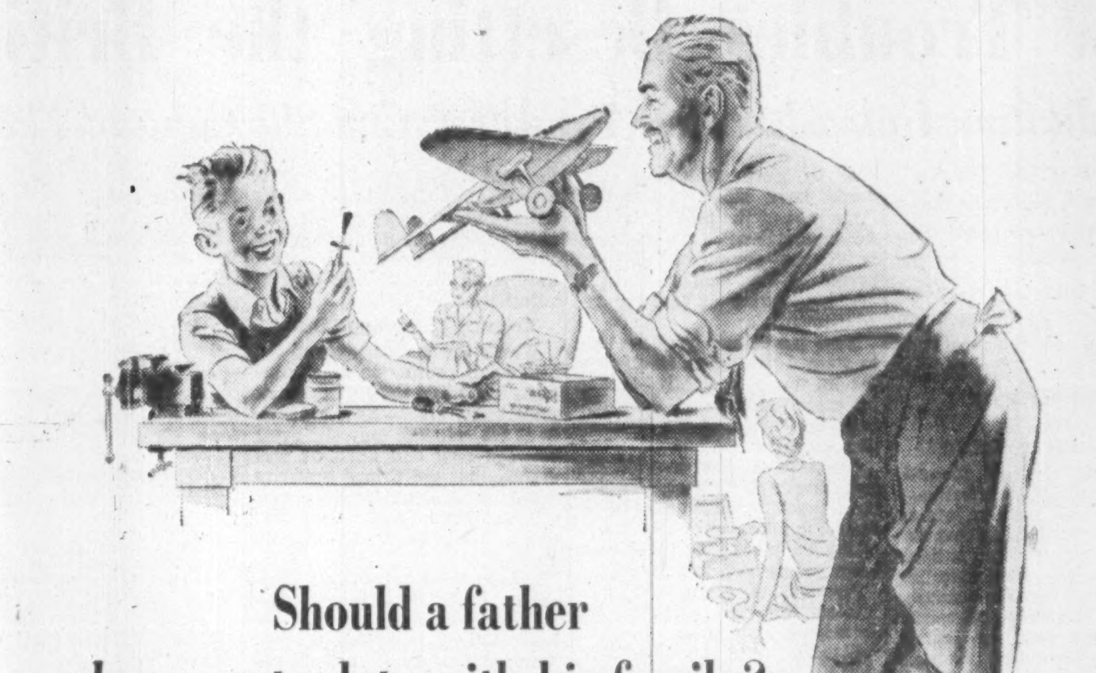
1889—61 Years of Service—1950

50-C



Should a father keep up-to-date with his family?

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CONSTRUCTION TRENDS By CLIVE CHATTOE

'Don't Look Till Spring'—Builders As Jan. Awards Slide 53% From Dec.

When, in closing months of 1949 new business booked by the construction industry showed a sharp and contraseasonal upsurge, betting in the trade was heavy that 1950 contract award volume almost certainly would top 1948's $954 millions, might equal last year's record $1,140 millions.

Last week, most industry leaders were conspicuously shy about repeating their earlier forecasts for "another billion dollar contract year."

The reason: January awards tallied by MacLean Building Reports across Canada at $57 millions were down 53% from the month before, 22% from a year ago.

Here's the picture, by individual categories:

CONSTRUCTION CONTRACTS AWARDED, CANADA
(Millions of Dollars)
Source: MacLean Building Reports Ltd., division of Hugh C. MacLean Publications.

	Jan. 1950	% chge. fr. year ago	% chge. fr. mo. before
Residential	24.0	—20	—16
Comm'l & Inst'l	25.0	—37	—15
Industrial	3.2	—65	—60
Engineering	4.5	—70	—92
TOTAL	56.7	—22	—53

Engineering works took the steepest fall, 92% from the month before, 70% from a year ago. Industrial building was off 60% from December, 65% from a year ago. Even the one consistent stalwart among groups showing almost continuous postwar rise — residential — fell 16% from December and 20% from a year ago. Thus, all except the commercial-institutional category (stores, offices, schools, hospitals, etc.) sharply disappointed the optimists and alerted the industry to closer study of its cost structure.

But it was too soon, construction men said, to label the building boom a bust. January decline couldn't "yet" be termed significant. "It will be a different story in March, April and May as the building season unfolds," several said confidently.

That dictum appears reasonable enough. By far the largest part of the January decline developed in the West where severe winter conditions all but stalled construction operations. In that sector, awards at $8.4 millions were off a vicious 63% from a year ago, 22% from the month before. Quebec was the only province with an increase from a year ago.

* * *

Plumbing Wage Up 12c? Industry Holds Breath

Probably the most eagerly awaited event in Canadian building trade history is due this week end — filing with the Ontario Dept. of Labor in Toronto of the Barton-Beattie-Woolsey conciliation board report on the Toronto plumbing union's demand for a 25c hr. (15%) wage hike to $2 and 9 paid statutory holidays instead of none now (The Financial Post, Feb. 4).

At midweek, Judge T. H. Barton had drafted the report, employers' representative Tom Beattie of Redfern Construction had okayed the draft, but laborman C. J. Woolsey wouldn't be available for final check till Thursday morning. So expectation was general the finding wouldn't be known outside the conciliation board until the end of the week.

In Ottawa, where the plumbers' union has been on strike for more than a month, with crippling effect on heavy building construction and some housebuilding, renewal of negotiations awaits the Toronto finding. Other cities where plumbers' union wage agreements are up for annual renegotiation—and where interest in the Toronto finding is equally high—include Montreal and Edmonton, the Lakehead, Sudbury, Hamilton, Kitchener, Brantford, Guelph and Galt, Winnipeg and several other cities are watchful too; their plumbing agreements will be on the table soon.

And plumbing unions are the first in Canada's key building trades to have come forward with wage demands in 1950. Unions in some of the other trades, particularly in centres where building continues at boom pace, are like minded. Many competent observers warn: (a) that as plumbing goes, so will go the industry; and (b) if construction costs go up this year, building volume may take a serious tumble.

WILLIAM G. BRAYLEY

Has been appointed advertising manager of Canadian Schenley Ltd., with headquarters in Montreal, according to an announcement by W. F. Tigh, President. Mr. Brayley was formerly advertising manager, Green Cross Insecticides Division, The Sherwin-Williams Co. of Canada Ltd. *

Carpet Prices Going Higher? Wool Market Seen as Factor

Carpet wool prices, in line with other wool prices, have advanced markedly since last September and are now running, in terms of Canadian dollars, very much higher than they were prior to devaluation. This has led to a small increase in carpet prices, noted in early January, and if wool prices continue at present levels, further increases will be necessary.

So said C. M. Harding, executive vice-president of Harding Carpets Ltd. at annual meeting of shareholders in Brantford this week.

One of the biggest problems he said, will be that of the wool market and it would be very dangerous to prophesy what would happen to this. At present, in the world, there is an over-all shortage of wool, and world consumption is exceeding wool production by a considerable amount. Although company policy is to keep as short an inventory position as possible, the length of time required for deliveries necessitates making a considerable quantity of stock commitments ahead. These are being watched very closely, he adds.

"There is no doubt that lower wool prices would be desirable as, if the price increases continue, there is the danger of encountering consumer resistance," Mr. Harding said.

Referring to the company's carpet business, Mr. Harding said both sales and production are up considerably over the same period last year and are proceeding at the highest rate in the company's history. This production is with the same equipment as last year and does not take into consideration any of the new looms which will be operating shortly.

The immediate future of the carpet business looks very satisfactory and the company has a substantial backlog of orders. There will undoubtedly be a more competitive market and also the danger of consumer resistance due to the high price of wool, Mr. Harding warned.

In respect to the yarn division, there has been a somewhat reduced demand for machine knitting yarns and consequently very keen competition for the business available, Mr. Harding said. This, combined with the very erratic and high priced wool market, makes operations somewhat uncertain. "However, we have embarked upon a very aggressive selling program in order to make sure that we maintain and increase if possible, our share of the market and to run our plant at good capacity," he said.

In the hand knitting division, an intensive program to increase sales has been recently embarked upon. Both sales staff and number of lines have been increased. To date hand knitting sales are running well over double what they were at the same time last year, Mr. Harding said.

U. S. Beckons Overseas Imports At First Trade Fair in Chicago

Trade Fairs get going in United States this summer. The first is to be held at Chicago, August 7-19. It will follow closely the pattern set up by the Canadian International Trade Fair (now in its third year) and it's expected that many exhibitors at the Canadian Fair will move on to Chicago.

Backing the Chicago Fair is a committee of 100 business and industrial leaders in the midwest city, in co-operation with the U. S. Department of Commerce. The Administration does not however (as in Canada) give financial support.

Present Chicago plans call for one million sq. ft. of exhibit space (as against 180,000 sq. ft. at Toronto) to be allocated one-third to U. S. exhibitors, two-thirds to exhibitors from abroad.

Working in close co-operation with the Organization of European Economic Co-operation, Chicago Fair authorities have established offices in Britain and 13 European countries, headed up by the Department of Commerce's exhibition commissioner, Dr. Jacques Kunstenaar, in Zurich, Switzerland.

Preliminary results of field work in Europe indicate that the 16 Marshall Plan nations will be taking up 250,000 sq. ft. of exhibit space.

Western Germany, which has announced big plans for the Canadian Fair, has asked for 19,000 sq. ft.; Austria has booked 2,600 sq. ft., Yugoslavia, 6,000 sq. ft., Switzerland 2,400 sq. ft.

On the basis of applications already received, more than two-thirds of the total exhibit space will be devoted to consumer goods, with machinery and industrial equipment taking up 26%; chemical and metal industries 8%.

Exhibits are divided up into 29 trade classifications; 15 in consumer goods categories, the rest under industrial supplies and equipment.

Plans for a Detroit Trade Fair this year have been postponed, thus Chicago becomes first in the field in U. S.

1949 No Pattern For '50 Towers Report Stresses

OTTAWA (Staff) — Governor Graham Towers of the Bank of Canada carefully avoided all opportunities for prophecy about 1950 when he discussed his annual bank statement here this week.

A feature of the 1949 statement is a series of charts plotting relationships between Canadian and U. S. business and prices in 1949. For the most part these show that Canada "did not show any serious effects from the recession in U. S. in the first half of 1949."

Explanation given is that the U. S. downturn was largely an inventory adjustment and that meanwhile Canada was enjoying special compensatory factors: tax refunds, new resources development and a greater accumulation of wartime backlog in the form of consumer spending.

For 1950, Mr. Towers stressed that Canada couldn't use 1949 as a pattern; that over the longer period we must assume that U. S. business conditions have a very direct bearing on Canadian activity. As to the course of business events in 1950, Mr. Towers wasn't doing any crystal-gazing.

Figures to Watch

New figures of estimated spending on goods and services by Canadians in 1949 were published by the bank this week.

They show that for the first time since 1939, Canada was able to maintain a high level of employment and activity without a heavy inflationary upswing in prices. Mr. Towers suggested that he wouldn't expect inflationary pressures to reappear in 1950. But he wouldn't commit himself as to whether or not a deflationary cycle was ahead.

Factors to watch, he indicated, were: the level of prices; the level of capital investment and the level of Canada's external trade.

In its new report the bank "scooped" the Department of Trade and Commerce in issuing for the first time complete figures of Canada's 1949 imports and net trade balances. The figures follow:

Canada Merchandise Track, 1948-49
(Millions of Dollars)

	Exports	Imports	Balance
United States			
1949	1,524	1,952	—428
1948	1,522	1,806	—284
U. K. and £ Area			
1949	1,012	495	517
1948	979	494	485
Other Countries			
1949	487	314	173
1948	609	337	272
Total			
1949	3,023	2,761	262
1948	3,110	2,637	473

For 1949, the bank estimates personal consumption expenditure in Canada at $10.8 billions—a new high record. The corresponding figure as reported by DBS for 1948 was $10.1 billion. Since the average price factor increased by 4% in 1949, the increase in physical volume of consumer goods purchases of goods and services was about 2%.

Gross private capital investment was higher by 9% in actual physical volume according to the bank's calculations. The 1949 figure is $2.9 billions against $2.6 billions in 1948. The price factor rose by 5%. The emphasis continued to shift toward housing and utilities and away from industrial plant and equipment.

Industrial Production Up

Physical volume of industrial production in Canada for 1949 is estimated by the bank to be about 2% higher than in 1948. Farm output, after allowance for price changes was put 9% lower. But a sharp increase in the output of service industries was noted.

Gross national expenditure was put at $16.1 billions against $15.4 billions in 1948. After allowance for price changes, the actual physical output of all goods and services was stated as being about 3% up for the year.

Exports were actually down 3% in physical volume after allowance for a 3% over-all rise in prices.

The combined spending of governments for goods and services rose sharply from $1.8 to $2.1 billions. Physical volume of these expenditures was up 9% after allowance for price changes.

The bank has continued its research into a comparison with the actual physical volume of spending in Canada on goods and services as compared with 1928-29 and after allowance for price changes.

The over-all figures are as follows:

Estimated Increase in Physical Volume of Expenditure on Goods and Services in 1948-49 as Compared with 1928-29

	%
Personal consumption	82
Gross capital invest. (ex inventories)	42
Government expenditure	92
Exports	53
Imports	20
Gross national production or expend.	80

Since there was an increase of 31% in Canada's population in this period, the rise in physical consumption per capita is put at 39%. This is equivalent to a cumulative annual increase per capita of 1.66%.

"On the whole" says the report, "an appreciable part of the increase in physical output per capita in 1948-49 as compared with 1928-29 has been the result of increasing productive efficiency and more intensive use of plant and equipment."

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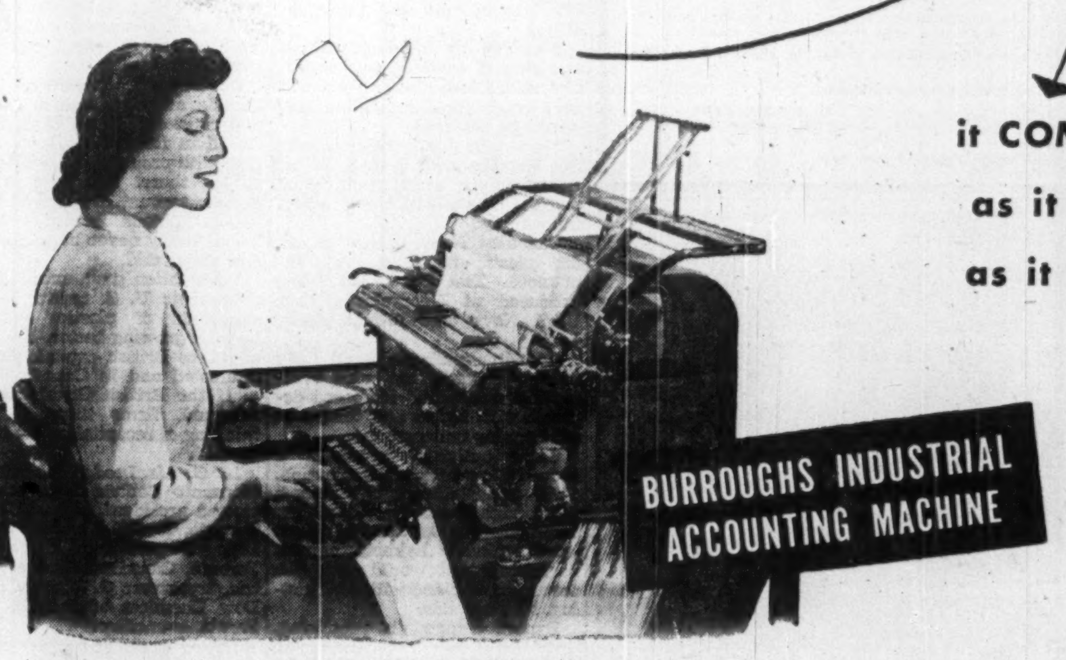

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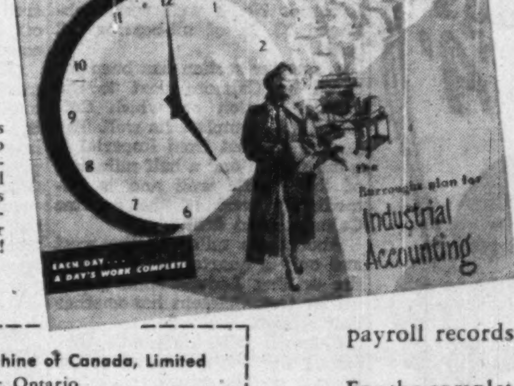

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CARL BURROWS

With $4,300,000 of new paid life insurance Mr. Burrows of Galt, Ontario again led the entire agency force of Occidental Life in Canada and the United States for 1949. This is his fourth consecutive year of leadership since joining the Val Taylor Agency in November, 1944. Mr. Burrows' business has been on individual applications only and represents an average size policy of $36,000.

*

What's Ahead for Plastics Industry?

Lower Prices, New Products Seen For 1950

By HARLEY POTTER

Outlook for Canada's plastics industry includes down-trending prices, swelling markets, new lines, products and uses for the synthetic materials.

Even if business slows down, plastics would probably fare better than many other industries.

Expansion of plant in manufacturing of basic plastic materials is pretty well complete for some time, but a number of new fabricating plants may open in 1950.

That was consensus at the eighth annual conference of the Society of the Plastics Industry this week in Toronto, attended by more than 200 executives, managers.

Canada is now world's third producer of finished plastic products. Sales volume reached all-time high of about $91 millions in 1949. About 15,600 persons are directly employed; payroll is $26 millions; investment, $6.5 millions.

Prices will continue a long down-trend in plastics, executives believe. They've already fallen considerably since the war; one plastic fell from 84c in 1945 to 34c lb. in 1947.

Price outlook is owing to the nature of the industry and special circumstances of the Canadian scene.

The industry was built to present productive capacity by wartime demand. This capacity, which producers were hard put to use in many plastic lines about two years ago, now promises great economies of production if sufficient volume outlet can be found, plastics men say.

Particularly important is an exports market. "There are enough plant facilities to supply all Canadian demand for polystyrene and export two-thirds of all output. About the same is true of vinyl," said one. However, home markets are regarded as an essential base for the industry, and tariff reform to facilitate this is being sought.

The Price Trend

Plastics have a favorable situation when it comes to price because little labor used in actual production insulates partly against wage hikes, union demands. Only about 30% of workers were on production machinery, the rest at sales, office, maintenance, one authority said. One Ontario firm, moving to a new plant, quadrupled output, increased number of employees only 15%-20%.

Many plastic products are now cheaper to the consumer than in depression days, the society claims.

An advantage of the plastics industry in case of recession was the way producers could branch out into other lines if hard hit on one, one man said. Possibly, also, recession would see general manufacturers in cost cutting mood, receptive to sales effort for plastics parts.

Capital equipment in basic materials would not expand much in 1950, opinion was; manufacturers were "consolidating," increasing use of capacity. Bakelite (Canada) Ltd. has yet to complete its Belleville plant—at a figure unannounced but believed large—but this continues a project already begun.

Fabricating plants, however, will multiply, an informed observer predicted. Over a period last year Canada had one new mold a month set up, he said; estimated eight or nine molding plants might open this year.

The New Products

More than one at the convention predicted introduction of woven saran to the market as a highlight of 1950. Work has just begun on the plastic fabric for Canadian consumers, but it may match U. S. record of estimated 50% use in auto seat cover industry.

Possible big development is changing of surfaces, one executive said. Cloth-like texture, finish by embossing, imprinting, etc., would be featured.

A phenolic group manufacturer saw development in 1950 in his field mainly along established product lines, with few radical innovations.

Canadian Navy is now studying plastic boats, it was announced. Test boats are being produced at Georgetown, Ont. U. S. Navy uses 28-foot plastic boats.

Canadian-made vinyl and waxy feeling polyethylene wire overcoating would find increased demand with hydro and telephone wires going underground.

Same authority predicted a growing low-pressure lamination. This—using different materials from high pressure work now common—would extend to plastic boats, miner's helmets, impact packaging that would drop 500 feet from airplane without bursting, surgical aids.

Export demand is promising, though markets are somewhat restricted in soft currency areas. India should be a prime customer for polystyrene this year, of which Canada is world's second supplier. Great Britain also needs more Canadian polystyrene. Australia will need vinyl too for a new molding industry. All this promises lower costs to Canadian consumers.

"The U. S. has 150 millions people; we have 13 millions. When we ship plastics coast to coast, we sell to one person where they sell to 12. To survive we have got to export," said one.

The Tariff Board will hear opinions on re-classification of plastic items March 15 at Ottawa. The society said plastics could become one of Canada's major industries, with "an appropriate tariff structure." Involved in reclassification might be lumping into one section of different plastics items classed individually in various schedules. Industry has many new products since tariffs on plastics were last considered, SPI claimed. Many foreign markets were closing to Canadian manufactures, though the Canadian plastics market was almost "wide open" to all.

Non domestic produced plastics would always have a part in the Canadian market, one man said. Real concern with importation last year of Japanese toys was fear they were dangerously inflammable, quality would hurt market for plastics, he said.

"The amount of Japanese toys actually imported was only about $400,000." This compared with $30 millions total Canadian toy expenditure, $5 millions plastics toy sales.

"Closed market" referred to in request for tariff reform referred to markets where soft currencies have made Canadian plastics sales difficult, industry leaders told The Financial Post.

One explained Britain bought raw materials, fabricated products which competed with Canadian output in other soft currency markets.

Devaluation, however, gave Canada an advantage in sale of materials, etc., to the U. S. Some Canadian finished products compete with products of parent companies there. However, a net greater amount of material coming to Canada from the U. S. would likely never be wiped out, one leader said.

Devaluation gave extra attractiveness to U. S. capital in any expansion of plastics industry here. A growing factor, however, might be British capital, already interested and in Canada.

"If the British Government is returned, firms there will be thinking of recapitalization here," he said.

L. C. MacLeod, Montreal, of Monsanto Canada Ltd., was re-elected president. Howard Yates, Toronto, Crystal Glass & Plastics, Ltd., vice-president; T. J. Carey, Toronto, Canadian General Electric, treasurer; G. Murray Scott, Dow Chemical of Canada, Ltd., Sarnia, councillor.

Will Pipeline Help to Boom Sarnia's Big Chemical Valley?

Completion of the oil pipeline to Superior, Wisc., and flow of petroleum from new western wells to Sarnia will likely mean expansion of synthetic rubber and plastics production at the Ontario port, J. R. Nicholson, executive vice-president, Polymer Corp., Ltd., told the Society of the Plastics Industry (Canada) Inc. this week.

"It is not unreasonable to look for erection of further refinery or refineries at Sarnia to supplement Polymer's existing supplies of light hydrocarbon feedstocks," he said.

It was to be expected great changes would take place in Polymer's own operations. Further diversification of rubber production would likely lead to building of new, different units to handle new rubbers, latices and masterbaches. "Expansion of Polymer's activities as a supplier of base chemicals to the plastic chemical industry, including the synthetic fibre industry, may also be expected."

Mr. Nicholson said a number of chemicals, including plasti - chemicals, now imported, could be manufactured in the Sarnia area. Possibilities included: a carbon black plant to supply black for plastic called black masterbach; a plant to oxidize waste lignin from Canadian pulp and paper; plant for polyethylene.

Mr. Nicholson told The Financial Post he did not foresee great expansion of the plastics industry in the west, where oil might be refined in some quantity. It would be cheaper to send oil here by pipe, than to produce plastics in the west and ship bulk of them to the east where the market was.

However, some plastics industry might result in the west, in special blacks, etc.

"Based on what has taken place in the petroleum industry over the past 12 years, it is inevitable years ahead will see great progress in every branch of the petroleum field. With Imperial's great interest in these new oil discoveries it is not unreasonable to expect great progress in Imperial's Sarnia Refinery in the not far distant future," he said.

With its huge modern chlorine, caustic soda, ethylene glycol, polystyrene plants in operation, with large plant development elsewhere, eventual expansion of Dow Chemical of Canada seemed a certainty, Mr. Nicholson said.

Each of methane, ethylene, propylene butylenes, butadiene and others in Sarnia area offered a "great challenge" to the chemist.

Discovery of oil in western Ontario laid basis of Sarnia's development to date, he pointed out. Combined investments of Imperial Oil, Dow Chemical and Polymer at Sarnia totaled between $125 millions and $150 millions.

Chrysler, Ford To Build Again

Windsor this week got word of further large-scale automotive industry expansion by Chrysler and Ford.

At the Chrysler plant, steel is halfway up for a $1¾ millions, 167,000 sq. ft. engine plant extension to Plant No. 2 (Pigott Construction Co., contractor; William R. Souter & Associates, architects).

Ford President Rhys M. Sale has announced purchase of 205 acres on the motor city's southern flank, and plans to build a $4 millions parts depot as distribution centre for Ford's regional depots across Canada.

TOWER PETROLEUMS has received payment for Feb. 2 installment of 200,000 shares at 30 cents a share under agreement with Frame, McFadyen & Co. Issued capital is 2,932,005 shares, leaving 567,995 in the treasury.

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City of Toronto
2¼%, 2¾% and 3%
Serial Instalment Debentures

(Interest and Principal payable in Toronto only)

Sealed tenders endorsed "Tender for City of Toronto Debentures," addressed to H. E. McCALLUM, Mayor and Chairman of the Board of Control, will be received by the undersigned until 12 o'clock noon (Eastern Standard Time), Friday, February 24th, 1950, for the purchase of:

(a) $3,435,000.00—2¼%—Serial instalment debentures, dated March 1st, 1950, maturing March 1st, 1951-1955.
(b) $2,598,000.00—2¾%—Serial instalment debentures, dated March 1st, 1950, maturing March 1st, 1956-1960.
(c) $3,132,000.00—3%—Serial instalment debentures, dated March 1st, 1950, maturing March 1st, 1961-1980.

TENDERS WILL NOT BE RECEIVED FOR ANY PART, BUT MUST DEFINITELY SPECIFY ONE PRICE FOR THE ENTIRE ISSUE OF $9,165,000.00.

The favourable opinion of the legal firm of Messrs. Clarke, Swabey, McLean and Ross, Toronto, as to the validity of the issue, will be engraved on each debenture.

Full details as to the maturities of the debentures herein offered, and the purposes for which the debentures are being issued are shown in a printed prospectus, copies of which will be furnished upon request. To comply with the requirements of The Municipal Act as modified by The City of Toronto Act, 1949, part of the debentures maturing in 1970 and all of the debentures maturing in 1980 are redeemable at par plus accrued interest on any date prior to maturity at the option of the Municipality.

Information with respect to the City's debt position, tax collections, etc., is given in the prospectus.

The debentures are in coupon form, are payable both interest and principal in Toronto and are of the denomination of $1,000.00. Provision is made for registration of principal only.

Engraved debentures will be ready for delivery on or about March 20th, 1950, and payment is to be made at the office of the undersigned upon delivery.

A certified cheque for $183,300.00 (2% of total issue) payable to G. A. Lascelles, Commissioner of Finance, must accompany each tender.

Tenders containing conditions varying from the above will not be considered.

The right is reserved to reject any or all tenders.

G. A. LASCELLES,
Commissioner of Finance.

Treasury Department,
City Hall, Toronto, Canada, February 16th, 1950.

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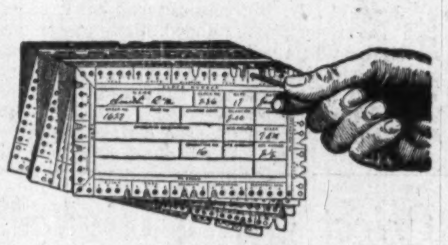

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OIL PRODUCTION

Calmont Drills Test Well Northeast of Excelsior

From Our Own Correspondent

CALGARY — A key stepout test in the Excelsior area is planned by Calmont Oils. Calmont has decided to drill a well a mile north and a mile east of Pacific-Excelsior No. 1 well which obtained 63 ft. of oil-bearing D2 zone.

A quarter section has been secured by Calmont next to the quarter section on which Calmont is to complete its well. The ground secured from Imperial is a mile north and a half mile east of the Pacific well and is immediately west of the quarter Calmont is to drill.

About two miles to the west and only a quarter mile west of the drilling Leduc-Calmar's Excelsior test, Calmont has another half section.

Calnorth Oils, Calmont's subsidiary has a 25% interest in the quarter section secured from Imperial and a 5% interest in the half section mentioned above.

* * *

Royalite Drills On

According to a recent announcement, Royalite Oil Co. is not abandoning its exploration program in the Queen Charlotte Islands, although an initial well is approaching the guaranteed drilling depth without finding oil.

The Royalite-Queen Charlotte No. 1 well on Graham Island, Queen Charlotte Islands, was drilling ahead at 3,328 ft. early this week. The well is to be carried down to a minimum depth of 3,500 ft. Fresh water encountered around 1,900 ft. was sealed off. No salt water has been encountered to date.

Officials in Calgary state that much valuable geological information has been recovered from this first well and that Royalite intends to conduct further exploratory work in the Queen Charlotte Islands before definite plans are formed for future drilling activity. The exploratory work will start as soon as weather conditions permit.

* * *

Stettler at 4,236 ft.

According to late information, Tower Petroleums key test in the Stettler area is drilling at 4,236 ft. and apparently logging high on structure. About another week is expected to elapse before any really significant news comes from this well.

At Excelsior the Pacific Pete. well in which Tower has a 12.5% interest will take production from 56 ft. of D2 porosity. A full thickness of 63 ft. of porosity was indicated but the well was plugged back to take production from the top 56 ft. A second well is now drilling.

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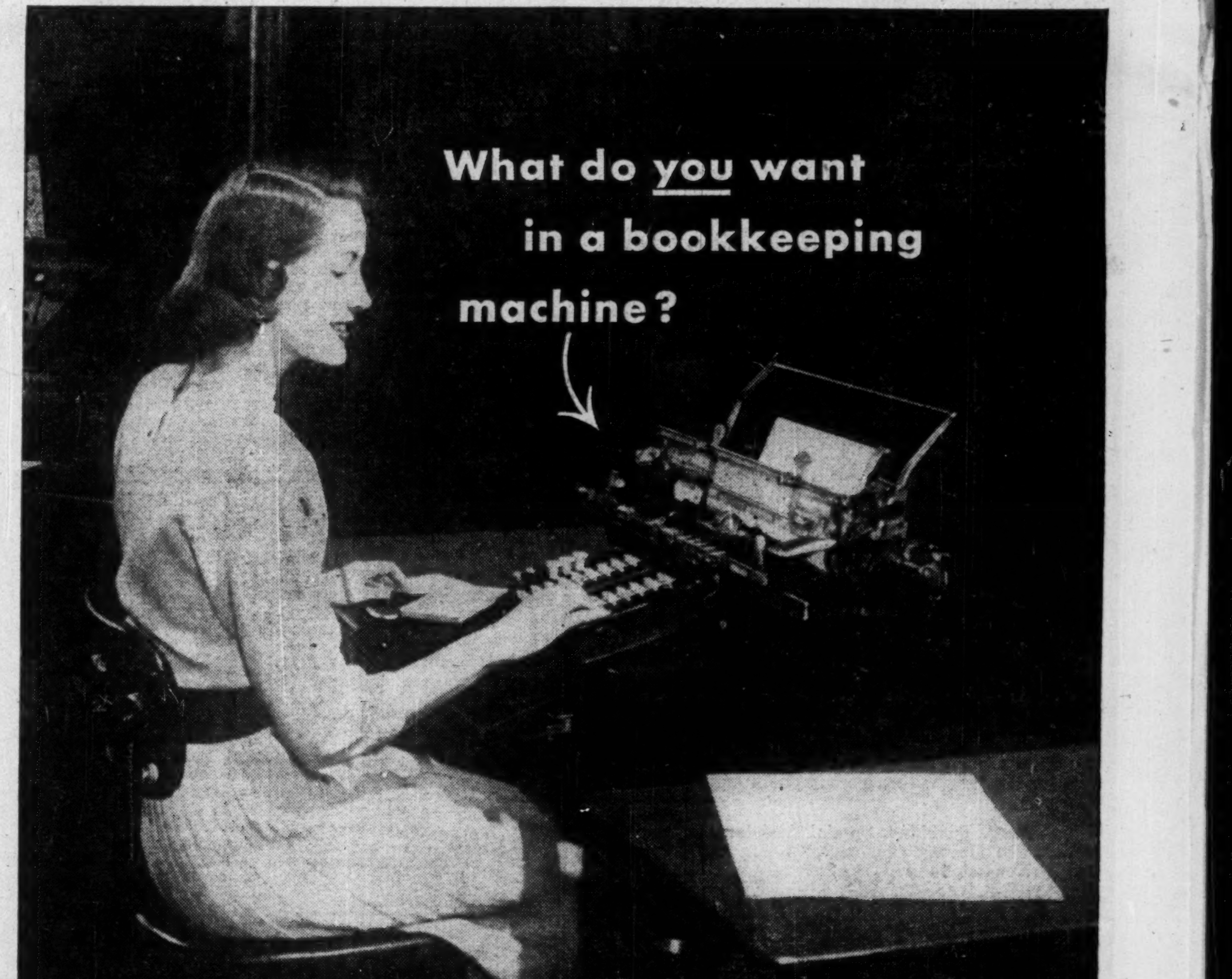

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Ask your local National Representative to show you how your firm can effect savings up to 30% with the National System. Or write to address below.

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LABOR ROUNDUP

Union Using New Propaganda Technique In National Drive For $100 Pensions

By RONALD WILLIAMS

Something new in the way of union technique has been getting a $15,000 tryout in Canada: the Canadian Congress of Labor and the CIO Steel Workers have been using quarter-page daily newspaper ads coast-to-coast, to sell their pension program.

The theme is: "End the Means Test." It's aimed at bringing public pressure to bear on Parliament to make government old age pensions available to all, regardless of need.

The campaign, using 36 dailies, is believed to be the biggest ever put on by a union in Canada. Besides advertising, regular union propaganda mediums are also being used to turn on the heat. The closest thing to it was the blitz the same union staged in 1946 to mold public opinion in its favor for its wage battle with the basic steel industry.

The CCL and the Steel union have good reason for putting everything they have into the drive: they hope to kill two birds with one stone; one economic, the other political. They can win $100 a month pensions for their members and at the same time score a political victory for the CCF.

What does it mean from an economic standpoint? First, the real drive and money for it is coming from the big Steel union, but it is being done in the name of the CCL. Getting the means test abolished would mean giving old age pensions to everyone automatically. The Steel union wants pensions for all, but it wants them more for its own members and for its 1950 goal of $100 pensions a month.

Realistically, Steel doesn't expect to get $100 from industry as does the CIO Auto Workers from Ford of Canada. On this point Steel seemingly has the support of the CCL. Cagily, Steel strategists figured if they could get the means test lifted, they would be assured of a good chunk of their $100 pension—$30 or $40 depending on the government allowance.

Getting the balance—say $60—from industry would be a lot easier than getting $100. Furthermore, they figured they would also have considerable support from employers; the more the union gets from Ottawa, the less it will want from industry. This is the way the steel and auto industry pension pattern has been cut in the United States where there is no means test on social security. However, the U. S. scheme is contributory; ours is not. And this is the governing factor in the means test in virtually all old age pensions schemes the world over.

Negotiations are now pending on this demand and others in basic steel. Existing contracts come open in April. Before then, the political end of the drive will have moved into position: Parliament meets this Thursday. The CCF, which has always wanted the means test abolished, will press even harder for it this session, because of what it means to the party's main political pillar in the CCL—the Steel union.

Politically, the whole selling idea in the advertising program is to swing Parliament to the side of the union or at least, draw a sharply defined line between those who favor doing away with the means test and those who don't.

The pressure is being applied to individual members of Parliament through a petition which is incorporated in the ads. Readers are urged to clip and mail to their member; "No postage required," advises the union.

However what they didn't know or didn't care about, is that franking privileges don't begin until Parliament is in session. Members had to cough up the postage on thousands of the petitions which poured into Ottawa before the deadline. It cost some a pretty penny.

The cost to the union is high too. But whether the campaign to win the immediate objectives is successful, the union feels the money will have been well spent in selling labor the CCF idea that to get economic results labor must take political action.

* * *

1949 Earnings Set Record

Despite talk of unemployment, 1949 will probably go into the records as the year of peak earnings for Canadian labor. The 11-month total for wages and salaries and supplementary income was a whopping $6,988 billion against $6,499 billion for the same period in 1948. The increase is about 7.5%.

At the same time, the Bureau of Statistics announced wages reached a new peak at Dec. 1. Average weekly earnings in leading manufacturing industries were $42.86 against $42.59 in November and $41.47 the year before. Hourly earnings were also at record high: 99.9c or 0.44 above Nov. 1 and 2.9c higher than Dec. 1, 1948. Average work week was 42.9 hours.

Earnings in November were $661 millions. This was down from the $668 millions in October but it was still $29 millions above November, 1948.

A breakdown of the DBS figures confirms what is now generally accepted: most of the decline is due to seasonal and other factors in three or four industries, but mainly logging.

The 11-month total for agriculture, logging, fishing, trapping and mining was down to $539 millions against $570 millions in 1948. The November figure was $51 millions against $53 millions in October and $56 millions a year ago.

Manufacturing was down $1 million on the month but $4 million up over a year ago. Eleven-month total: $486 millions; $439 millions in 1948.

* * *

Purge Reds In B. C.

Only two years ago, Communists ran the CIO-CCL British Columbia Federation of Labor like Stalin runs Russia. They had quite a lot to say too, about the way things were done in the AFL-TLC group. By last week, the last of the Reds had been jolted out of both bodies.

At the annual meeting of the CIO-CCL unions, the Reds were defeated by a democratic vote. The lone Communist on the executive board, William Stewart, head of the Marine Workers and Boilermakers, lost his seat 74-22 to Dan Radford, CCL Western Director.

At the Vancouver, New Westminster & District Labor Council, they got the heave-ho by direct action. President Birt Showler invoked the 1949 ruling of the TLC passed at Calgary. It bars Communists from office. He also produced a letter from TLC President Bengough advising that "membership in the Labor Progressive Party is clear indication that a man is a Communist."

On the strength of this, Showler refused to accept nomination of Tom Parkin, organizer for the United Fishermen & Allied Workers and a member of the provincial council of the LPP, and George Gee, business manager, AFL International Brotherhood of Electrical Workers. Both, ruled Showler, were Communists.

* * *

Rank and File Appointment

In appointing Joe MacKenzie of Toronto director of its unique unemployed union, the CCL at least gave the job to a member of the rank and file: MacKenzie, although president of the Ontario Federation of Labor and a member of the CCL Executive Council, has technically been unemployed for some time. He was fired recently as Canadian director of the CIO Rubber Workers with a number of others who picked the losing side in the internal battle with International President Buckmaster. MacKenzie supported the faction which ousted Buckmaster last year. Later, at the annual convention held in Toronto, Buckmaster was restored. It then became only a matter of time until staff leaders of the opposition were removed. The squabble had no Communist implications. It was a straight battle between two factions for control.

The new CCL organization will operate under the name: National Federation of Unemployed Workers. The idea originated with the Toronto Labor Council to counteract Communist exploitation of the unemployed through the Red-inspired organizations which have been springing up all across the country. First step to be taken by the new CCL unit will be a national convention.

* * *

Labor Briefs

Three replacements on the five-man Quebec Labor Relations Board have been announced: Alfred Charpentier, former president, Canadian Catholic Confederation of Labor; Elphege Beaudoin, president, Quebec Federation of Labor (AFL), and Pierre Audet, K.C. of Quebec, take the place of Candide Rochefort who becomes vice-president of the Minimum Wage Commission; Brunay Blais, named to Commission and Pierre Goselin, who resigned. President of the Labor Board is Judge Conrad Pelletier, with H. E. Lebrun as vice-president. Beaudoin has already resigned as president of the AFL Transport Drivers' union and is expected to quit the presidency of the provincial AFL.

* * *

Annual convention of the TLC will be held in Montreal, Sept. 11-16. The conference is being hailed as the "most important we have ever held." The CCL will go to Winnipeg for the first time for its annual conference.

* * *

Calgary was having a hard time quenching its thirst last week: 200 union beverage room waiters employed in 19 hotels struck when employers rejected an arbitration award recommending a $2 a week raise. Present scale: waiters, $41 weekly; tapmen, $47. Only hotel unaffected was the CPR's Palliser whose employees are members of a different union. Veterans' and social clubs were also operating as their waiters are nonunion.

* * *

Base rate at Toronto Iron Works raised 5c to $1.03 in contract renewed with CIO Steel Workers. Union also claims checkoff won for the first time.

* * *

After 10½ hours, of negotiation CIO Steel Worker Organizer Dwight Storey signed the first agreement with Twin Coach Co., Fort Erie, Ont. Contract provides: 40 hour week; $1.05 starting rate; $1.10 after 60 days; six paid statutory holidays; 5c night premium; irrevocable checkoff; annual vacation pay based on 2% of earnings; time and half for Saturday, double time for Sunday.

* * *

About 2,200 workers at Singer Ltd., St. John, Que., got retroactive pay cheques this month following settlement providing for 7c increase across the board for men and 5c for women. Union is CIO Steel Workers.

* * *

Dominion Rubber Co., Kitchener, Ont., and CIO Rubber Workers have renewed agreement calling for: 7c increase retroactive to Jan. 25; eight paid statutory holidays instead of seven; three weeks vacation with pay for 20 years or more seniority. Contract covers tire and shoe divisions. Another local settled with the merchants factory shoe division for 5c.

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THE STERLING TRUSTS CORPORATION

Balance Sheet, December 31st, 1949

ASSETS

CAPITAL ACCOUNT:		
Office Premises, Safe Deposit Vault	$ 110,372.39	
Mortgages and Agreements for Sale	443,904.84	
Government, Municipal and Corporation Bonds	222,298.44	
Stocks	273,087.98	
Loans on Stocks and Bonds	20,808.29	
Accounts Receivable	8,525.04	
Cash on Hand and in Banks	98,842.02	
		$ 1,177,839.00
GUARANTEED ACCOUNT:		
Mortgages and Agreements for Sale	3,079,723.33	
Government, Municipal and Corporation Bonds	1,459,701.94	
Stocks	472,276.46	
Cash on Hand and in Banks	359,539.36	
		$ 5,371,241.09
ESTATES, TRUSTS AND AGENCIES:		
Investments and Assets Held	6,970,813.00	
Cash on Deposit	589,325.78	
		$ 7,560,138.78
		$14,109,218.87

LIABILITIES

CAPITAL ACCOUNT:		
Capital Paid Up	$ 842,300.00	
Reserve Fund	250,000.00	
Reserve for Taxes	15,500.00	
Accounts Payable	3,414.22	
Dividend Payable Jan. 3, 1950	12,602.73	
Profit and Loss Balance	54,022.05	
		$ 1,177,839.00
GUARANTEED ACCOUNT:		
Guaranteed Trust Certificates	$ 3,840,087.48	
Deposits	1,531,153.61	
		$ 5,371,241.09
ESTATES, TRUSTS AND AGENCIES		7,560,138.78
		$14,109,218.87

All Stocks and Bonds shown at less than Market.

PROFIT AND LOSS ACCOUNT

Balance Brought forward from 1948	$ 25,928.11	
Net Profit for Year	108,406.65	
	$ 134,334.76	
Appropriated as follows:		
Taxes	$ 27,430.65	
Depreciation	2,622.94	
Dividends	50,259.12	
Balance carried forward	54,022.05	
	$ 134,334.76	

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JACQUES DUSSAULT

Mr. A. G. Sampson, President of Chateau Gai Wines Limited, Niagara Falls, Ontario, today announced the appointment of Mr. Jacques Dussault, Montreal, to the Board of Directors of the company. Mr. Dussault, noted Canadian barrister and solicitor, is a partner in the Montreal law firm of Dussault, Dussault and Vadboncoeur, 5 St. James Street, East. *

Food Industry Leads Failures

Here's Long-Term Record, 1949 Trend in the Field

By JAMES H. JOYCE

Failures in the food industry constitute the biggest single group of failures in Canada, according to Dun & Bradstreet of Canada Ltd.

As a result D. & B. has prepared a new study breaking down into more detail the failures among the manufacturers, wholesalers and retailers of food products for the 13 years 1936 to 1948 and for the first nine months of 1949. This study shows generally:

(1) Of the three main groups, the number of failures and the dollar amount involved has usually been greatest in the retail food products group. (There are exceptions e.g. one large wholesale grocer in the Quebec area failed in 1949, which jumped the dollar amount in that period.)

(2) In the manufacturing food products group, the bakery products sub group showed the largest number and biggest dollar volume of failures. No particular trend is noticeable postwar.

(3) In the wholesale food products group, the fruit and vegetable sub group would appear to have been the most vulnerable to failures prewar.

(4) In the retail food products group, the groceries sub group usually showed the largest number and dollar amount of failures prewar. In the postwar period, it and the groceries and meat subgroup have showed the heaviest casualties, with the bakeries subgroup running third.

In the first nine months of 1949 there were 50 failures involving a total of $1,955,000, Dun & Bradstreet of Canada's study shows. This was divided as follows:

FOOD PRODUCTS FAILURES

	1936 No.	1936 Liab. ($000)	1939 No.	1939 Liab. ($000)	1947 No.	1947 Liab ($000)	1948 No.	1948 Liab. ($000)
Manufacturing Food Products	56	620	48	607	10	270	10	311
Meat Products	4	295	3	21	1	24	..	..
Dairy Products	2	16	3	19	..	..	2	18
Canning & Preserving	2	3	3	166	3	98	2	135
Grain—Mill Products	1	19	1	30	1	28	3	88
Bakery Products	35	198	18	94	2	33	3	70
Confectionery	4	45	5	52	..	..	..	..
Beverages, nonalcoholic	6	21	11	197	..	..	..	..
Beverages, alcoholic	1	22	..	..	..	..	..	..
Miscellaneous	1	1	4	28	3	87	..	..
Wholesale Food Products	17	129	20	372	5	282	9	174
Groceries (full line)	1	10	6	45	2	12	1	22
Confectionery	5	20	2	13	..	..	..	..
Fish and Sea Foods	2	39	1	31	..	..	..	..
Meats and Provisions	2	8	4	152	..	..	3	61
Groc. & Food Specialties	2	20	..	..	1	2	2	45
Dairy & Poul'y Prod. & Consumer Farm Prod.	2	13	2	14	..	..	1	27
Fruit and Vegetable	3	19	5	117	2	268	2	19
Alcoholic Beverages	..	..	..	..	..	..	..	..
Retail Food Products	244	845	212	683	25	187	45	460
Groceries	129	410	89	257	7	55	13	130
Groceries & Meat	48	224	45	166	9	63	15	92
Meat and Fish	29	78	43	82	2	8	2	15
Produce and Fruit	13	33	8	26	1	3	..	..
Confectionery	14	24	14	34	..	..	4	12
Dairy Products	4	45	5	79	1	13	2	131
Delicatessen	4	8	..	..	..	..	..	..
Bakeries	..	..	..	..	5	45	7	67
Alcoholic Beverages	1	17	..	..	..	..	..	..
All Others	2	6	8	39	..	..	2	6

Source: Dun & Bradstreet of Canada, Ltd.

FOOD PRODUCTS FAILURES (Jan.-Sept., 1949)

	No.	Liab. ($000)
Manufacturing Food Products	7	$207
Meat Products	—	—
Dairy Products	1	38
Canning & Preserv.	1	30
Grain, Mill Prod.	—	—
Bakery Products	1	2
Confectionery	—	—
Beverages, Non-Alc.	2	71
Beverages, Alcohol.	—	—
Miscellaneous	2	66
Wholesale Food Products	8	$1413
Groceries (full line)	1	1198
Confectionery	—	—
Fish and Sea Food	1	10
Meats and Provis.	1	12
Groceries and Food Specialties	2	57
Dairy & Poultry Products	1	12
Consumer Farm Products	—	—
Fruit and Vegetable	1	57
Alcoholic Beverages	1	67
Retail Food Products	35	$335
Groceries	11	118
Groceries and Meat	11	95
Meat and Fish	1	6
Produce and Fruit	2	7
Confectionery	—	—
Dairy Products	1	22
Delicatessen	1	18
Bakeries	8	69
Alcoholic Beverages	—	—
All Others	—	—

Net Profits in Food Retailing Fields Dropping Back to Prewar Ratio to Sales

Your grocer, butcher and confectionery dealer—if they were average — have been making smaller net profits, in relation to sales, since the end of the war.

The trend is back to prewar net profit percentages in the food retailing fields, Dominion Bureau of Statistics reports in a recent study.

Only the fruit and vegetable dealer's net profit position did not slip.

All classes of food retailers showed smaller gross profit to sales rates, except in fruit and vegetable and confectionery dealers. In those cases, figures were a little lower, but as costs did not make the necessary downward adjustment, there was no rise in net profit.

Your storekeeper was not necessarily a poorer man at years end, however, as average net sales in dollars rose: in groceries in 1948 it was $42,074, against $27,233 in 1944, $35,075 in 1946.

Here's the net profit record, as a percentage of sales with comparisons:

COMPARISON OF NET PROFITS

	Latest %	1944 %	1938 %
Groceries	5.7	6.3	4.5
Meat	5.5	6.0	5.6
Combination stores	4.4	5.8	4.1
Fruit & vegetables	6.5	6.6	..
Confectionery	8.5	9.6	..

These, of course, were average figures, but they afford the individual retailer an idea of how his business stacks up with others. Similarly, inventory turnovers give an idea of how efficiently he was moving goods across his counter, as do the costs needed to produce each sales dollar.

Inventories moved more slowly than in previous years, except in meat, where perishable stocks could not keep. Mr. Average Grocer turned his stock over 10.6 times; the combination dealer, 13.8 times; the butcher, 37.4 times; fruit and vegetable stores, 19.2; confectionery, 12.1. Drop is attributed to fact goods were in short supply in earlier years, were sold almost as soon as the merchant could get his hands on them from wholesale sources.

All trades had larger stocks at year end than beginning, not true in 1938.

Another special feature of the meat business was fact it paid highest percentage of sales out in salary and wages, because of amount of handling necessary with meats. Figure was 5.04%.

This was the highest operating expenses item with all trades. Others: grocery, 3.3; combination, 4.89; fruit and vegetable, 3.48; confectionery, 3.89.

Fruit and vegetable and confectionery dealers paid most proportionately for premises — including taxes, rent, heat, light, insurance, etc. Confectioneries, with 4.89% of net sales, were highest; this includes the highest light bill, 1.17%. This is partly because these stores stay open evenings.

Wages, salaries figures in 1944 were meats, 5.4%; groceries, 3.3; combination, 4.6; fruit and vegetable, 3.5.

Total operating expenses, for average firms, were highest percentage of net sales in meat markets, where figure was 11.08%. Others: fruit and vegetable, 11.01; confectionery, 10.59; combination, 10.15; grocery, 8.32.

Property owning dealers, with larger fixed assets, got less sales per dollar of net worth than renting dealers. Net worth—total assets less total liabilities—represents the dealer's real stake or equity in the business. Figures were: grocery, owned, $4.43, rented, $7.95; combination, $5.44, rented $9.08; meat, $5.54, rented, $10.95; fruit and vegetable, $4.76, rented, $9.54; confectionery, $3.92, rented, $6.84. Though meat markets scored best here, owned combination stores and rented fruit and vegetable stores did best when sales were divided by noncurrent (mostly fixed) assets.

All classes averaged net worth more than twice total liabilities, common test of business soundness.

HOW PROFIT RATIO IS CHANGING

Year	Grocery *G.P.	Grocery N.P.	Combination G.P.	Combination N.P.	Meat G.P.	Meat N.P.	Fruit & Vegetable G.P.	Fruit & Vegetable N.P.	Confectionery G.P.	Confectionery N.P.
1938	16.0	4.5	17.4	4.1	22.4	5.6	...	..	...	..
1941	15.2	5.7	16.9	5.2	...	..	...	..	...	..
1944	14.2	6.3	15.2	5.8	17.1	6.0	16.4	6.6	19.5	9.6
1945	14.1	6.1	14.9	5.0	16.9	6.0	16.0	6.6	20.7	10.1
1946	14.3	6.0	15.1	4.8	17.2	5.8	16.1	6.5	18.9	8.9
1948	14.0	5.7	14.6	4.4	16.6	5.5	17.5	6.5	19.1	8.5

*Gross profits and net profits.

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Balkan Sobranie smoking mixture

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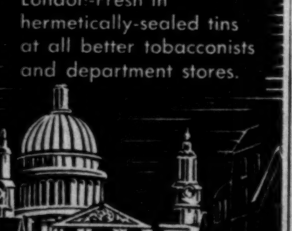
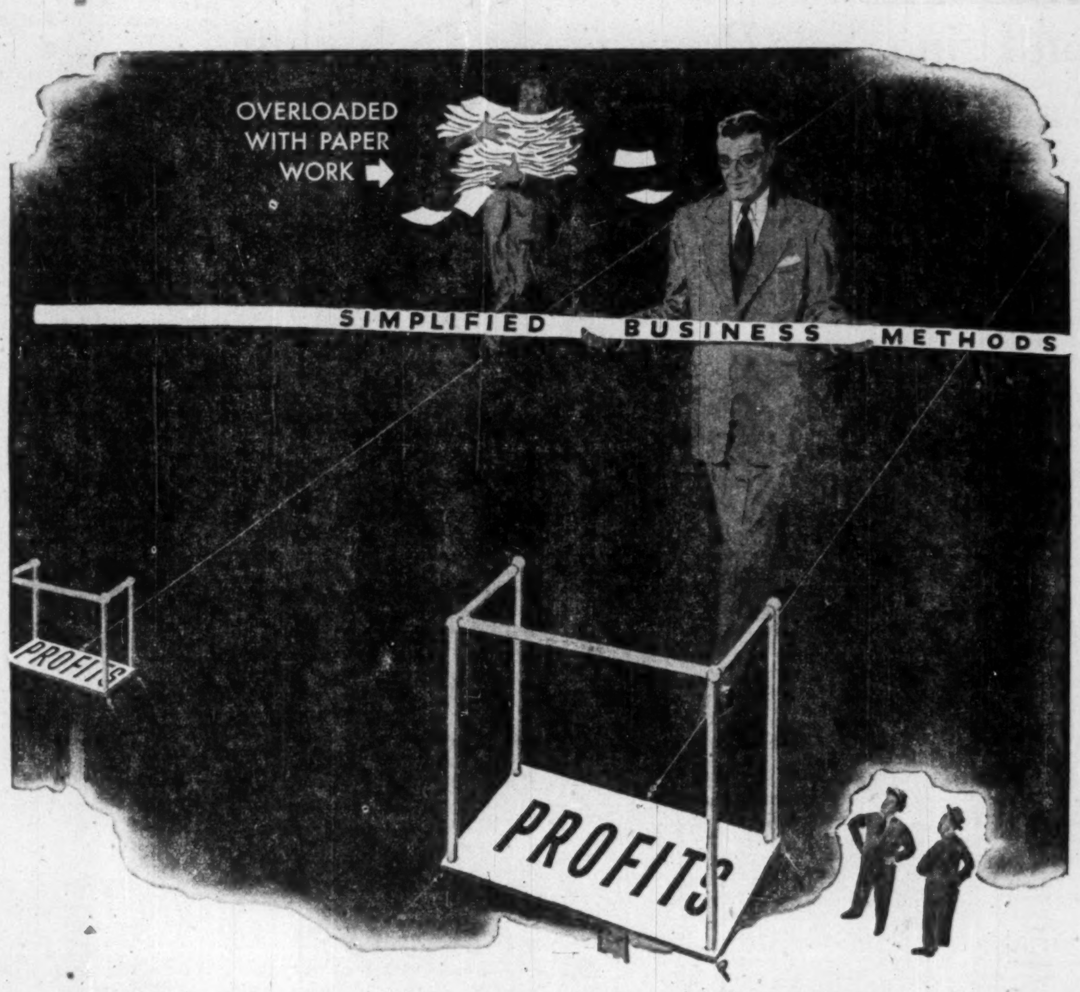


Balkan Sobranie Cigarettes are now obtainable for particular smokers who know and appreciate the quality blend of a better cigarette.



Which businessman will make it?

IT is going to be a much more difficult job for the man without proper controls on his balance to reach his profit goal.

Today, business must use extreme care to maintain a sound ratio between expense and income. More and more businessmen are finding that they need the help of paperwork mechanization to walk the profit tightrope created by increased clerical costs and generally higher break-even points.

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For example, an Addressograph machine puts figures, descriptions and names on paper thirty to fifty times faster than a typist or clerk. Addressograph methods do for the office what straight-line production did for the modern factory.

Everything you write more than once can be written better, faster, for less with Addressograph methods. Call the Addressograph representative in your city. He will be glad to tell you exactly how others in your line of business are using and saving with these simplified methods.

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Every model offers new improvements throughout!

NEW Functional Styling—Smart brawny appearance combines modern design with extreme practicability.

NEW Outdoor Visibility—Giant, one-piece scientifically curved Sweepsight windshield, large side windows, two rear windows.

NEW Comfo-Vision Cab—Model for model "the roomiest cab on the road" — with comfort cushions, adjustable seats, controlled ventilation.

NEW Super-Maneuverability—More positive control from a more comfortable position; new wide-tread axles assure the shortest practical turning circle and greater stability.

NEW Engine Accessibility—Special fender and hood design provides extra working space between engine and fenders—hoods easily removed.

NEW Valve-in-head engines—All test-proved for greater power, greater economy, greater stamina, greater efficiency.

NEW Specialized Transmissions—Types and gear ratios for any job . . . three-speed, four-speed and five-speed with direct drive or overdrive in 5th.

NEW Rear Axles for any job—Wider, sturdier rear axle — hypoid single-speed, double-reduction and two-speed with electric shift.

NEW Brake Systems—hydraulic or air. Faster-acting, surer-stopping, longer-wearing—more efficient braking with less effort.

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NEW Load-balanced Wheelbases — Shorter wheelbases for standard body lengths provide better load distribution, better maneuverability.

NEW Cradle-Action Springs—Longer springs for greater riding ease . . . stronger springs, sturdier mounting and new spring suspension for longer life.

Every model Heavy-Duty* Engineered to save you money!

Now International puts you squarely in the driver's seat—with a complete new line of completely new trucks!

Every single new International Truck from 4,200 to 90,000 pounds GVW is heavy-duty engineered to give you lower maintenance and operating costs.

Let the facts tell that story:

Fact No. 1: for 18 straight years Internationals have led in sales of heavy-duty trucks (16,001 pounds and over, GVW). The men who buy heavy-duty trucks buy on a basis of performance. They choose Internationals.

Fact No. 2: the same management men, the same engineers, the same test experts, the same production men who kept Internationals first in the heavy-duty field, have developed *every* new International Truck.

Every model offers new high standards of comfort and easy handling!

Here's relaxing roominess! Here's all 'round visibility! Here's a comfortable, adjustable seat! Yes—you get everything in the Comfo-Vision Cab!

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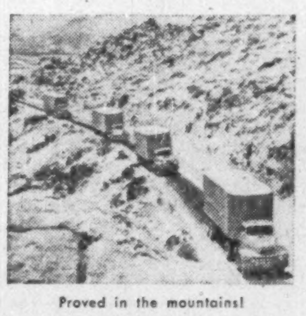
The truck starts to roll, and you're really in command! That Super-steering is right for position, it's right for positive control.

And this outstanding Comfo-Vision Cab is backed by features galore in every model!

Plus dozens of new features and refinements throughout every truck!



Proved in the mountains!

Proved on the twist course!

Proved in heavy snowfall!

Proved on the Belgian Blocks!

Every model proved under actual operating conditions!

There wasn't any price tag on the test program to prove the new International Trucks.

It was directed by men whose life work has been to develop better truck transportation. Test drivers were chosen as carefully as you do any key workers. All-outdoors was used for proving grounds. Laboratory analysis tests were backed up by track tests, then by actual road tests. Test convoys were run 'round the clock.

That's why every all-new, all-proved International Truck is right and ready for you *now!*

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INTERNATIONAL TRUCKS
INTERNATIONAL HARVESTER COMPANY OF CANADA LIMITED HAMILTON, ONTARIO

The British Mortgage and Trust Corporation of Ontario

STRATFORD

Balance Sheet, December 31st, 1949

ASSETS

CAPITAL ACCOUNT		
Office premises	$ 44,083.14	
Real estate for sale	1.00	
Mortgages; principal	1,488,722.31	
Government bonds; principal	21,000.00	
Canadian municipal bonds; principal	28,707.22	
Stocks	482,090.27	
Cash on hand and in bank	193,734.09	
TOTAL CAPITAL ASSETS		$ 2,258,338.03
GUARANTEED TRUST ACCOUNT		
Mortgages and agreements for sale; principal	$7,316,821.01	
Dominion government bonds; principal	3,435,092.05	
Provincial government bonds; principal	536,938.81	
Canadian municipal bonds; principal	44,858.98	
Cash on hand and in bank	110,806.88	
TOTAL GUARANTEED TRUST ASSETS		$11,444,517.73
ESTATES DEPARTMENT		
Estates, Trusts and Agency Funds		$ 856,337.39
		$14,559,193.15

LIABILITIES

CAPITAL ACCOUNT		
Capital stock fully paid up	$1,000,000.00	
General Reserve Fund	1,000,000.00	
Profit and Loss credit balance	115,657.31	
Reserve for taxes	90,798.24	
Dividends payable January 3rd, 1950	50,000.00	
All other liabilities	1,882.48	
TOTAL CAPITAL LIABILITIES		$ 2,258,338.03
GUARANTEED TRUST ACCOUNT		
Guaranteed Investment Receipts		
Principal $5,822,501.12		
Interest due and accrued 45,487.26		
	$5,867,988.38	
Trust deposits; principal and interest	$5,576,529.35	
TOTAL GUARANTEED TRUST LIABILITIES		$11,444,517.73
ESTATES DEPARTMENT		
Estates, Trusts and Agency Funds		$ 856,337.39
		$14,559,193.15

NOTE: Bonds and stocks are carried at book value, which is less than market value.

L. M. JOHNSTON, *President*

W. H. GREGORY
Vice-President and Managing Director

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ABOUT YOUR TAXES By STUART THOM, LL.B.

Appeal Board Clarifies Income Tax Principles

In two recent judgments the Tax Appeal Board interpreted provisions of the Income War Tax Act strictly against the Department but there will be no benefit to taxpayers generally. In each case, the Department had already plugged the gap in its defenses with appropriate amendments in the new Income Tax Act. It is quite possible that the Department for some time had been aware of these and other "weaknesses" in the statute, but for one reason or another had not sought special amendments. The revision of the Act provided a heaven-sent opportunity to tighten up the machine. When, in due course, the Tax Appeal Board turns its attention to the new Act, it will be seen how effective the repairs have been.

In the meantime the Board is demonstrating its worth in every case which permits a small taxpayer to air his grievance. Under the former procedure with its forbidding costs and delays, appeals involving only a few dollars would be abandoned more often than not. The essential importance of the Tax Board's judgments is not who wins, but that principles of income tax law are brought out and examined in public.

• • •

Alimony Payable On Periodic Basis

In the appeal of L. G. Bergh, the appellant had consented to a Court order whereby he became obligated to pay alimony to his former wife in a lump sum and once for all. He made the payment and claimed it as a deduction from his income. The Board would not accept the Department's argument that to be deductible under section 5 (1) (t) of the I. W. T. A., alimony had to be paid on a periodic basis. But section 11 (1) (j) of the new Act uses just these words and the decision in the Bergh case is now only history.

In another case, the question was whether payments made by Mr. Macfarlane to his wife under a separation agreement, which were expressly stated to be "for the benefit of" the two children of the marriage who were in the wife's custody, was income to her. The Tax Board pointed out that section 3 (1) (h) of I. W. T. A. provided that "alimony or other allowance for the maintenance of the recipient thereof and the children of the marriage" was income. The payments which Mr. Macfarlane made were for the benefit of the children only and accordingly were not income under the statute. Under section 6 (d) of the new Act income includes payments of alimony or maintenance to "the recipient thereof, children of the marriage, or both." After 1948, Mr. Macfarlane's judgment is of no benefit to him or anyone else.

• • •

Interest Paid On Purchase Money

Isador Reinhorn lost his appeal to the Tax Board because he had overlooked the significance of the phrase "borrowed capital" in section 5 (1) (b) of the I. W. T. A. This is hardly surprising because when in 1943 he entered into a perfectly straight forward deal to buy a piece of property, the Exchequer Court had not handed down its decision in the case of T. E. McCool Limited which uncovered the trap awaiting taxpayers in that section of the Act. In the McCool case interest paid as part of the purchase price of capital assets is declared not deductible from income for tax purposes. By the time Mr. Reinhorn's appeal was heard by the Board, the Supreme Court had confirmed the judgment in the McCool case. There has been no significant change in the wording of the new Act, section 11 (1) (b), and the law today is clear that interest paid on purchase money is not deductible.

Mr. Reinhorn's case was complicated by the fact that he had agreed to pay a straight $50,000 by installments over a period of years without interest. There was some evidence that he and the vendor had regarded $10,000 of the purchase price as taking the place of interest, but there was nothing to this effect in the agreement. Under section 7 of new Act the Department can claim that part of such payments can reasonably be regarded as payments of interest.

• • •

Taxpayer Should Disclose Details

The appeal of Karl Buehler had to do with an assessment for gift tax on an alleged gift from a father to his sons. In the course of the hearing before the Board, evidence came out which had not been known to the Department when the assessment was made. The Board assumed that had this information been before the Department, it would have proceeded differently. The matter was accordingly sent back for re-consideration and assessment.

In Buehler's case the failure to provide the Department with full and accurate information was not for any deliberate purpose of evading tax. Having regard to the recent Chernenkoff decision in the Exchequer Court (The Financial Post, Nov. 26, 1949), taxpayers will not be well advised to keep the Department in the dark on the chance that the assessment will be in their favor and at the same time expect to have the privilege of a re-assessment if they don't like the assessment and on the appeal, but not until then, tell the whole story to the Court.

In the Chernenkoff case, the taxpayer had neglected to make an income tax return for three years and when she did the Department claimed they were not satisfactory.

COMPANY REPORTS

SUN LIFE ASSURANCE CO. reports insurance in force on Dec. 31, 1949, at $4,187 millions, up $97.9 millions, with total assets at $1,527 millions, a gain of $36.6 millions.

The insurance in force is represented by 1,091,299 individual policies and 495,116 certificates of assurance on the lives of employees of firms and corporations under group plan. Of this amount $36.7 millions was reinsured. The company also has 44,024 individual annuity contracts in force and in addition retirement benefits for 75,562 employees under group annuity contracts. These contracts provide current annual payments of $10.1 millions and deferred annual payments amounting to $72.8 million. Of the latter $29,680 was reinsured. Premiums received were $155.8 millions and total income $238.8 millions. Payments to policyholders and beneficiaries in 1949 were $114.8 millions. Total payments of this kind by the Sun Life since its organization to the end of 1949 totaled $2,240 millions.

Assets passed the $1.5 billion mark after allowing for the reduction caused by the depreciation of the dollar value of sterling assets. President Arthur B. Wood pointed out in his presidential address that "this fund has been accumulated from the small periodic payments contributed by our million and a half policyholders."

Mortality experience is described as "again very favorable." Average rate of interest earned on invested assets was 3.48% (3.30% in 1948.)

	1949	1948
	$000	
Insurance in force	4,187,194	4,089,234
New insurance	372,510	374,652
Total income	238,835	232,324
Premiums	155,896	154,026
Int., divds., rents	50,633	46,180
Policy payments	114,799	105,046
Liabs. to p'holders incl. actuarial res'ves	1,406,401	1,379,338
Taxes, expenses	7,225	6,140
Mis. res'ves & liabs.	10,789	6,998
A. & S. ins. fund	260	253
Liabs. to sh'holders	4,506	4,384
Conting. res.	15,000	15,000
Total assets	1,527,516	1,490,870
Surplus	83,335	78,757
Interest earned	3.48%	3.30%

VULCAN OILS has received payment for Feb. 2 underwriting of $36,000 comprising 240,000 shares as well as the March 6 installment of 100,000 shares at 17½ cents under agreement with Leonard Phillips. Issued capital is 829,898 shares, leaving 3,107,102 in the treasury.

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"DOMITE NODULOY castings are all — and more — than we expected"

"Wish DOMITE NODULOY castings had been available years ago"

"There is metallurgical uniformity in DOMITE NODULOY castings"

NODULOY IRONS

"More expensive castings can be replaced with DOMITE NODULOY"

"Tests taken from DOMITE NODULOY castings show up to 100,000 p.s.i. marvellous for cast iron"

TYPICAL COMPARISON BETWEEN GREY CAST IRON AND "DOMITE NODULOY"

	Tensile P.S.I.	Transverse Breaking Load, 18" Supports
Grey Cast Iron	25,000	2,000
"Domite Noduloy"	80,000	6,000

ELONGATION COMPARISON

	As Cast	Annealed
Grey Cast Iron	Nil	Nil
"Domite Noduloy"	3%	13%

BRINELL HARDNESS

As Cast	Annealed
250	170

ENDURANCE PROPERTIES

	Tensile Strength P.S.I.	Endurance Limit P.S.I.
As Cast	80,000	41,000

THERE ARE JOBS in your plant where DOMITE NODULOY Iron castings can save money and give better service than material previously used. The whole metallurgical industry of North America has heralded this new cast iron development. Compare the facts on the left and if DOMITE NODULOY fits into your picture, let us quote on your requirements today.

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PLANTS AT: TORONTO • COBOURG • ST. BONIFACE • NEW GLASGOW

NEGUS MINES advises that, under offering of rights to shareholders of record Jan. 10 to purchase additional shares at $1.25 each which right expired Jan. 28, 463,519 shares were subscribed for by shareholders and the balance of the offering, 36,481 shares, were taken up at $1.25 a share less 5% commission under agreement with Doherty, Roadhouse & Co., Draper, Dobie & Co., and A. E. Osler & Co. Issued capital is 2,500,000 shares, 500,000 in the treasury.

AMAX ATHABASKA URANIUM MINES plans minimum expenditure of $50,000 to $75,000 to investigate 68 radioactive occurrences and zones uncovered on its property in the Athabaska area, Northern Saskatchewan. Pitchblende was disclosed in at least two of the showings and uranium oxide on 11 others. Two zones indicated commercial content of U308 and at least four others are large enough to indicate commercial possibilities.

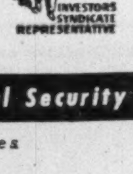
"HE'S GOT PLANS FOR HIS BOY.."

What better investment can parents make than in their child's future? What better way than in giving him the great advantages of a good education! Only a few cents a day will assure your financial ability to carry this out.

Investors Syndicate of Canada Limited have a plan for providing the money for educational expenses when your boy or girl is ready for University . . . a plan that many thousands of Canadian parents have used to give their children the opportunities afforded by a college education.

A representative of Investors Syndicate of Canada Limited will be glad to explain how time and the power of compound interest can work for you. He will show you how to accumulate $1,500, $2,000, $3,000 or more, in six, ten, fifteen years or longer.

A University education pays rich dividends. Plan a successful future for your child by seeing a representative of Investors Syndicate today.



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Head Office — Winnipeg, Offices in Principal Cities

Gateway to Growth... Service

If we are a little taller again this year . . . a little bigger in every way, we believe it is because our roots are thrust ever deeper into the soil of responsibility — responsibility to men and women in every walk of life.

Chartered Trust is a service organization and grows only by giving service to more and more Canadians. We are proud that year by year our record of service is faithfully mirrored by larger figures.

• • •

We invite you to look over the figures below. A copy of our complete Annual Report will be sent you on request.

	MONEY ON DEPOSIT	ESTATES, TRUSTS AND AGENCIES	CAPITAL AND SURPLUS
1947	$10,920,428	$31,761,082	$1,897,028
1948	12,687,075	36,209,891	1,956,293
1949	14,099,143	37,500,475	2,021,607

CHARTERED TRUST COMPANY

34 King Street W., Toronto, WA. 7681 — 388 St. James St. W., Montreal, HA. 5166

"We'll have to cut down on heat costs by using

DUNHAM "Vari-Vac" DIFFERENTIAL HEATING!"

With rising prices for all types of fuel, many executives are beginning to check closely on heating costs. And Dunham "Vari-Vac" Differential Heating is the answer to their problems. With this system there's no waste of heat. Heat is controlled to meet the demand, and dollars that formerly went out through the windows soon pay the cost of conversion.

Consult your heating engineer or write us direct.

DUNHAM Co.

HEATING MEANS BETTER HEATING

Chlorine in Cylinders From New C-I-L Plant

Canadian Industries Ltd's new $100,000 chlorine cylinder filling plant unit, at Cornwall, Ont., now is in operation, local chemical works manager Frank M. Robertson announced recently. Chlorine "packaged" there will be distributed in Ontario, Quebec and the Maritimes, areas previously served by C-I-L's Windsor, Ont., chemical plant. Only tank car lots then were available from Cornwall. The 1-story, 5,300-sq. ft. building is of structural steel, reinforced concrete and brick, cost about $100,000 with equipment, was erected by A. E. Farley Construction Co., Ottawa, largely completed last year.

HANDY & SAFE

AND TRAVELLERS LETTERS OF CREDIT

IN CANADIAN OR U.S. DOLLARS OR IN STERLING

IMPERIAL BANK OF CANADA

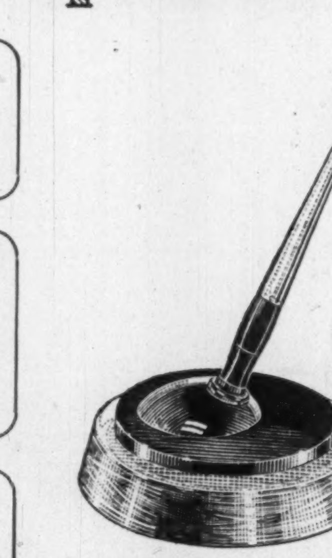
ANNOUNCING . . . a new desk pen set by America's first penmaker

Esterbrook ALL NEW Dip-Less 444

Fill like an inkwell . . . Just remove the top. No more ink-stained fingers. As easy to clean as it is to fill.

Smart, modern, non-tip base. Practically spill-proof if tilted or upset. Holds a full ounce of ink. Fill it once, and it writes for months.

New capillary feed scientifically supplies just the right amount of ink to the point.



Your choice of famous precision-made Esterbrook points. Choose the right point for the way you write . . . the right point for the job you do.

5 base colors: red, green, grey, black, clear.

One dip writes a full page . . . 300 words and more. Point never floods.

Practically spill-proof if tilted or upset
AS EASY TO CLEAN AS A CUP

Esterbrook
AMERICA'S FIRST PEN MAKER
THE BROWN BROTHERS LIMITED, TORONTO
Obtainable from your local stationer

33 numbered points for personal selection and instant replacement in case of damage.

Bank Debits Set New Record In All Areas Across Canada

Volume of business transacted by cheques in chartered banks in Canada in 1949 totaled $87,554 millions, 8.5% over the previous year and a new high record. The expansion in these business payments has been continuous since 1938. Consequent on the advance in prices and the marked gain in industrial activity, the total volume of cheques cashed rose 183% in the 12-year period.

All five economic areas shared in the new high for the year. The relative gain in the Maritime provinces was greater than in any other area, due largely to the inclusion of St. John's Nfld., in 1949.

Figures for the month and the 12 months follow.

Cheques cashed against individual accounts at the Clearing House centres in Canada, December, 1949, November, 1949, and December, 1948.

Millions of $

Province and Clearing House Centres	Dec., 1949	Nov., 1949	Dec., 1948
Maritimes and Newfoundland			
Halifax	105.9	106.3	93.9
Moncton	35.2	34.5	34.2
Saint John	45.2	41.3	52.5
St. John's	45.5	58.1	...
Maritimes and Newfoundland	231.8	240.2	180.7
Quebec			
Montreal	2,122.3	2,086.6	1,997.9
Quebec	252.7	192.6	196.3
Sherbrooke	28.1	24.3	27.1
Total—Quebec	2,403.1	2,303.6	2,221.3
Ontario			
Brantford	39.4	37.9	34.6
Chatham	30.5	33.3	32.5
Fort William	19.8	19.9	21.1
Hamilton	196.8	194.2	188.3
Kingston	23.3	23.1	22.3
Kitchener	52.8	46.7	47.0
London	126.2	104.9	111.5
Ottawa	348.5	428.3	271.6
Peterborough	26.3	23.8	25.6
St. Catharines	32.0	36.4	33.2
Sarnia	27.7	27.8	31.3
Sudbury	25.0	24.7	23.5
Toronto	2,595.6	2,576.2	2,339.5
Windsor	137.0	128.3	131.9
Total—Ontario	3,681.9	3.705.5	3,313.9
Prairies			
Brandon	12.6	13.3	11.9
Calgary	210.6	236.7	197.8
Edmonton	200.6	178.6	163.5
Lethbridge	21.0	22.6	29.9
Medicine Hat	8.5	9.6	9.5
Moose Jaw	19.3	23.7	25.6
Prince Albert	12.6	12.1	11.5
Regina	130.1	151.8	117.1
Saskatoon	40.6	43.4	40.3
Winnipeg	741.1	932.4	794.6
Total—Prairie Prov.	1,397.0	1,624.1	1,401.9
British Columbia			
New Westminster	30.6	28.5	27.3
Vancouver	532.2	551.1	571.8
Victoria	119.2	87.2	83.2
Total—Brit. Col.	682.0	666.8	682.3
Total for Canada	8,395.8	8,540.1	7,800.1

Cheques Cashed Against Individual Accounts at the Clearing House Centres in Canada, During 1949 and 1948

Millions of $

Province and Clearing House Centres	1949	1948	% 1949 of 1948
Maritimes and Newfoundland:			
Halifax	1,065.2	1,049.3	101.5
Moncton	383.9	353.6	108.6
Saint John	511.9	567.2	90.3
St. John's	356.6	....	....
Mar. & Nfld.	2,317.7	1,970.1	117.6
Quebec:			
Montreal	22,037.1	20,978.8	105.0
Quebec	2,410.9	2,433.3	99.1
Sherbrooke	284.5	277.7	102.4
Total—Quebec	24,732.5	23,689.8	104.4
Ontario:			
Brantford	435.8	381.1	114.4
Chatham	315.4	276.9	113.9
Fort William	225.3	225.3	100.0
Hamilton	2,124.3	1,952.1	108.8
Kingston	241.4	232.5	103.8
Kitchener	494.7	463.3	106.8
London	1,181.5	1,069.9	110.4
Ottawa	4,040.9	3,676.3	109.8
Peterborough	279.7	260.1	107.6
St. Catharines	379.0	348.3	108.8
Sarnia	310.5	299.4	103.7
Sudbury	267.2	231.9	115.2
Toronto	24,712.4	22,655.2	109.1
Windsor	1,460.9	1,308.9	111.6
Total—Ontario	36,469.1	33,381.6	109.2
Prairie Provinces:			
Brandon	145.7	133.7	109.0
Calgary	2,507.5	2,072.8	121.0
Edmonton	1,893.3	1,568.2	120.7
Lethbridge	246.5	219.4	112.3
Medicine Hat	102.8	100.5	102.3
Moose Jaw	248.5	231.9	107.1
Prince Albert	133.3	123.9	107.6
Regina	1,565.1	1,333.3	117.4
Saskatoon	465.5	442.6	105.2
Winnipeg	9,186.2	8,375.8	109.7
Total—Prairie Pr.	16,494.5	14,602.3	113.0
British Columbia:			
New W'minster	319.8	326.9	97.8
Vancouver	6,157.1	5,765.4	106.8
Victoria	1,063.7	951.3	111.8
Total—Br. Col.	7,540.6	7,043.6	107.1
Total for Canada	87,554.3	80,687.4	108.5

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

EXCELSIOR LIFE INSURANCE CO. shows increases in insurance in force, total income and total assets in 1949. Insurance in force on Dec. 31 was over $247.9 millions, a gain of $17.9 millions, while new insurance issued and revived in 1949 was $30.8 millions, $31.9 millions in 1948. Total income was $8.9 millions, of which $6.7 millions were premiums and $1.7 millions, from interest, dividends and rents.

Payments under policy contracts were $2.6 millions, of which $981,120 was on death claims, the remainder including $480,270 in matured endownments and investment policies, $341,271 in policy dividends and $832,009 in annuities, disability payments and surrender values. Assets available for the security of policy and annuity contracts totaled over $49.4 millions. The rate of interest earned on invested assets rose from 3.72% to 3.79%.

Of total assets 76.45% is in bonds and debentures, 11.05% in first mortgages on real estate. During the year, the directors, authorized "establishment of pension funds for a modernized plan for salaried employees and branch managers and a new plan for field representatives."

	1949	1948
Insurance in force	$247,940,154	$230,034,068
New insurance	30,868,477	31,903,039
Total income	8,952,417	7,969,658
Premiums	6,746,822	6,262,699
Int. divds. rents	1,705,944	1,499,201
Policy payments	2,634,670	2,515,173
Expenses & taxes	2,239,452	2,052,535
Tr. to pol. resves.	3,001,569	3,294,365
Assets w/o	299,160	44,728
Tr. sh'holders a/c.	41,975	37,857
Tr. staff pens. cont. res.	135,590	25,000
Liabs. to p'holders incl. actaur'l res.	46,207,742	42,348,819
Liab. to sh'holders	328,807	317,256
Other liabs.	515,031	269,156
Sp. reserves	1,035,926	1,036,340
Surplus unalloted.	1,325,023	1,379,631
Total assets	49,412,530	45,351,202
Int. earned	3.79%	3.72%

SOVEREIGN LIFE ASSURANCE CO. of Winnipeg, shows increases in new insurance written, insurance in force, premium income interest revenue and total assets in 1949. New insurance at $14.9 millions was about $1 million higher, while insurance in force increased by $8.1 millions to $95.8 millions, a new high level. Total income, including premiums and interest from investments, was above the 1948 level. Operating expenses however were also up.

Payments, to policyholders and beneficiaries under policy contracts in 1949 totaled $1,089,181, about $110,000 over 1948. Surrendered policies, and death and disability payments were $651,352, about $90,000 more than in 1948. Total death claims were $337,780 ($258,066 in 1948). The mortality ratio was higher than in 1948 at 54.3% (40.4% in 1948).

The directors' report explains that fluctuations in the rate of claim within limits must be looked for from year to year. Variations in size of policy, length of time in force and other factors can and do affect result. Percentage of bonds and debentures held to total assets on Dec. 31 was lower than the year before, as also was percentage of preferred and common stocks. Percentage of mortgages held was higher.

	1949	1948
Insurance in force	$95,872,692	$87,780,058
New insurance	14,945,872	13,819,432
Total income	3,703,548	3,377,488
Premiums	2,629,687	2,454,337
Int. rents divds.	698,822	645,955
Policy payments	1,089,181	978,741
Expenses	867,072	813,466
Inc. in pol. reserves	1,371,482	1,515,305
Sh'holders divds.	14,700	12,600
Liabs. to pol'holders incl. actuarial res.	17,163,311	15,575,968
Other liabs.	88,854	95,907
Prov. for pol. divds.	213,421	190,550
Sp. reserves	568,251	453,800
Liabs. to sh'holders	227,995	225,871
Free surplus	519,598	399,036
Total assets	18,781,431	17,031,132
Int. earned	4.17%	4.20%

EMPIRE LIFE INSURANCE CO. reports progress in all important items in 1950. Insurance in force, including ordinary and group insurance, and deferred annuities on Dec. 31, 1949 was $89.2 millions, about $6 millions over the previous year. New insurance at $12.8 millions was $760,000 higher.

The insurance in force is owned by 49,532 policyholders, stated President C. P. Fell at the annual meeting. Insurance in force has more than doubled in the past ten years, he added. Total income was over $3 millions ($2.8 millions in 1948), and policy payments $1,097,191, ($1,130,279 in 1948). Of the total policy payments in 1949, $581,174 was paid to living policyholders. Mortality experience is stated to be "an improvement on the very low rate of the previous year." Bonds and debentures held are a slightly lower percentage of the total assets than a year ago, as are holdings of preferred and common stocks. Holdings of mortgages are about three per cent higher.

	1949	1948
Insurance in force	$89,211,956	$83,145,267
New insurance	12,780,433	12,018,418
Total receipts	3,004,655	2,795,596
Policy payments	1,097,191	1,130,279
Expenses & taxes	850,463	713,181
Sh'holders divds.	12,578	12,565
Other payments	18,000	4,698
Liabs. to pol'holders incl. actuarial res.	15,945,986	14,980,983
Liabs. to sh'holders	656,096	644,069
Special reserves	685,000	600,000
Taxes & expenses	90,480	68,818
Free surplus	525,833	483,249
Total assets	17,903,395	16,777,120
Interest earned	4.06%	4%

Gasoline Price Higher For Calgary Motorists

From Our Own Correspondent

CALGARY — Gasoline sold through service stations increased one cent a gallon here with standard formerly selling at 36 offered at 37 and No. 1 grade selling at 39.

The retail price increase is a result of a recent wholesale price boost brought about by freight rate increases. Service stations normally operate on a 5.3c a gallon margin but until the one cent a gallon boost the margin was only 5.1c.

BANK OF CANADA

	Feb. 8 1950 $	Feb. 1 1950 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,256,251,436	1,258,599,619
Deposits:		
Govt. of Can.	88,334,523	62,396,770
Chart. banks	503,040,492	523,690,938
Other	155,843,445	150,413,629
Total deposits	747,218,461	736,501,337
Liabs. payable in sterling, U.S.A. and foreign gold currencies:		
(a) to gov. of Can.	91,165,472	85,764,029
(b) to other	26,777	26,777
Total	91,192,249	85,790,806
All other liabs.	10,397,544	32,265,323
Total liabs.	2,120,110,057	2,128,207,452
Assets		
Sterling & for'n	85,692,249	80,290,806
Other curr.	35,972	33,451
Total	85,728,221	80,324,257
Subsid. coin	371,599	357,396
Investments:		
Gov. sh. term	1,783,817,327	1,786,077,116
Oth. gov. sec.	195,739,382	195,075,767
Other secs.	5,500,000	5,500,000
Total invest.	1,985,056,709	1,986,652,883
Total share cap. at cost	25,000,000	25,000,000
Premises	3,773,221	3,773,138
All other assets	20,180,307	32,099,778
Total assets	2,120,110,057	2,128,207,452

Staff Changes

Chartered banks announce the following staff changes—

Royal:

A. C. SHATTUCK, manager, Vanguard, Sask., to be manager, Ituna, Sask.

L. A. HUNT, accountant, Kirkland Lake, Ont., to be manager, Geraldton, Ont.

I. C. McLEOD, manager, Glace Bay, N.S., to be manager, Dartmouth, N.S.

V. A. THOMPSON, supervisor's department, Halifax, to be manager, Annapolis Royal, N.S.

A. D. INSLEY, assistant manager, Calgary, Alta., to be assistant manager, London, England.

C. F. STUART, to be assistant manager, London, Eng.

N. C. FRELONE, Burns Lake, B.C. to be accountant, Prince George, B.C.

G. H. BOAK, Dartmouth, N.S., to be accountant, George & Townsend, Sydney, N.S.

F. H. MUSTARD, Stratford, Ont., to be accountant, Rouyn, Que.

G. V. BRIGHT, Spadina & College, Toronto, to be accountant, Coxwell & Gerrard, Toronto.

R. M. MITCHELL, assistant accountant, Orillia, Ont., to be accountant, that branch.

F. J. SMITH, George & Townsend, Sydney, N.S., to be accountant, New Glasgow, N.S.

C. F. BOWLBY, Dunnville, Ont., to be accountant, Port Dover, Ont.

* * *

Chartered banks announce the following staff changes:

Nova Scotia:

D. M. CHRISTIE, to be manager, Kennetcook, N.S.

M. O. COLWELL, to be manager, Squamish, B.C.

W. D. MORRISON, to be accountant, Antigonish, N.S.

C. G. STEADMAN, to be accountant, Fairville, N.B.

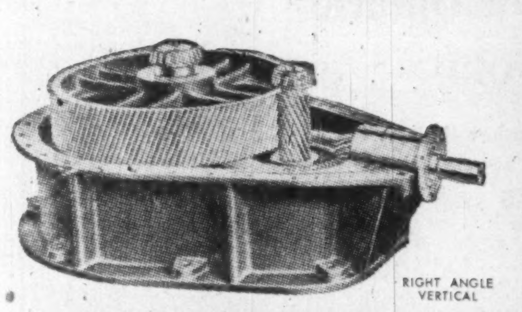
W. C. H. PATTIE, to be assistant accountant, King & Victoria, Toronto.

Canadian Home Ass'ce Gets Federal Charter

Canadian Home Assurance Co. which has been operating under a Quebec charter for 20 years has now obtained a federal charter and has been licensed by the Dominion Department of Insurance, to write fire, accident, automobile, plate glass, theft and allied insurance lines. Lawson T. Hargreaves is manager of the Ontario branch, H. E. Vallat assistant manager.

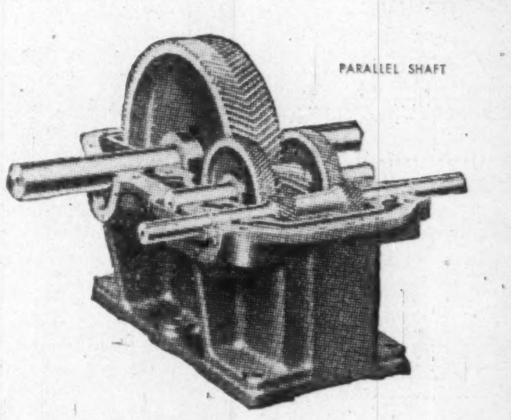
KENNEDY

Engineers and builders of geared equipment—speed reducers, Motoreducers, gear drives



RIGHT ANGLE VERTICAL

KENNEDY-FALK SPEED REDUCERS

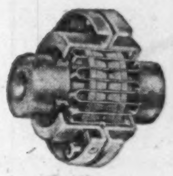


PARALLEL SHAFT

PARALLEL SHAFT
RIGHT ANGLE HORIZONTAL
RIGHT ANGLE VERTICAL
SINGLE, DOUBLE OR TRIPLE REDUCTION

Kennedy-Falk Speed Reducers can be supplied for use as Speed Increasers.

FALK STEELFLEX COUPLINGS. All sizes commonly used in industry stocked in Owen Sound.



The basis of standard Kennedy-Falk Speed Reducer design is that each unit shall transmit safely its full rated capacity, 100% overload at starting and 100% momentary overload during operation. The result is reliability for continuous duty and reserve for actual punishment beyond rated capacity.

In carrying out this design, strength and rigidity have been combined without sacrifice of compactness and simplicity.

When you need speed reducers you need Kennedy engineering.

THE WILLIAM KENNEDY & SONS LIMITED
OWEN SOUND, ONTARIO
STEEL FOUNDRIES AND ENGINEERING WORKS
MONTREAL OFFICE: Canada Cement Building
NORANDA: V. K. Polk, Box 334 HAILEYBURY: John H. Brumell HALIFAX: C. A. Fowler, Capitol Building

KENNEDY • Owen Sound • *Canadian Representatives of* FALK • Milwaukee

LAKE WASA MINING CORP. has received payment for Feb. 4 underwriting of 250,000 shares at 50 cents a share together with an additional 55,750 shares at the same price, to apply on March 4 underwriting under nine individual agreements. Issued capital is 2,794,709 shares, leaving 1,205,291 shares in treasury.

AKAITCHO YELLOWKNIFE GOLD MINES is awaiting confirmation of indicated improvement in conditions surrounding gold mining before proceeding with shaft sinking. Much of the necessary equipment has been delivered and work could start at a moment's notice.

In this quaint old building in Bedford Row, Halifax, The Royal Bank of Canada had its modest beginning in 1869.

From a single branch in Halifax to . . .

Canada's Largest Bank

In the short span of a single lifetime, The Royal Bank of Canada has grown from a small local bank in Halifax to become Canada's largest bank and one of the first thirteen banks in the world.

The Royal Bank's 1949 Financial Statement discloses that assets have reached $2,334,985,354. This is the highest point in Canadian banking history. Total deposits have also reached a point never before attained by a bank in Canada—actually well over the $2 billion mark—striking indication of public confidence in the institution. Branches, serving large and small communities in all ten provinces and in many countries abroad, now total over 730. This places The Royal Bank of Canada in the forefront of all Canadian financial institutions.

The Royal Bank is proud to have shared in Canada's steady march forward to her present place in the family of nations. The 11,000 people who serve you at branches in Canada and abroad are well equipped and ready to meet the challenge of the years that lie ahead.

THE ROYAL BANK OF CANADA
Canada's Largest Bank

Assets exceed $2,334,000,000 • Over 730 Branches in Canada and abroad

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THE LONDON LIFE INSURANCE COMPANY
25 King St. West — TORONTO — WAverley 1844

JOHN A. ROBARTS, C.L.U.
The London Life Insurance Company
25 King St. West — TORONTO — Wa. 1844

HOWARD J. CROFTS, C.L.U.
Representing
THE LONDON LIFE INSURANCE COMPANY
25 King St. West — TORONTO — WA. 1844

MORT. L. LEVY, C.L.U.
"Industrial Pensions and Estate Planning"
THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA
OFFICE: WA. 8365 TORONTO Res. MO. 9750

SAMUEL LITWIN, C.L.U.
Estate and Business Insurance Analyst
Sun Life of Canada
Sun Life Building MONTREAL PL. 3131

MAURICE E. THOMAS, C.L.U.
Estate Analysis—Business Insurance
THE LONDON LIFE INSURANCE CO.
700 Canada Cement Bldg. PLateau 6851
MONTREAL

W. W. NIXON, C.L.U.
Specializing in Pension Plans and Estate Analysis
EXCELSIOR LIFE INSURANCE COMPANY
510 Excelsior Life Bldg. — TORONTO — WA. 8356

DAVID A. DONALDSON, C.L.U.
The London Life Insurance Company
25 King St. West — TORONTO — Wa. 1844

The Canadian Chartered Accountant
10 ADELAIDE ST. EAST TORONTO 1, ONTARIO

ARTICLES THIS ISSUE
Diminishing Balance Depreciation • Expanding Responsibilities of the Public Accountant • La Banque au Canada • Controllership
and other articles
— AND —
THE TAX REVIEW
Taxation of Farmers • Recent Tax Cases, Regulations and Departmental Directives
FEBRUARY
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TROIS-RIVIERES
QUE.

Gateway to the St. Maurice Valley
Newsprint Capital of the World
Center of Textile Industry
Important Metallurgy
TROIS-RIVIERES
CHAMBER OF COMMERCE

NORSEMAN MINES is drilling a new hole, No. B-3, under holes Nos. 30 and 28, to test the downward extension of the showings picked up by those two holes. In each, splashes of chalcopyrite were noted. Shear zone cut in No. 30 appears to have been picked up in B-3 and the hole is continuing toward the shear cut in No. 28. Present length of the hole is 927 feet and shear should be cut within the next 100 ft.

A Message to
Corporate Management

What are the special functions which an investment dealer and underwriter performs on behalf of corporate management? To outline this subject for financial executives, we have prepared a brochure which, in its first mailing, has produced an immediate response which confirms the widespread interest in new developments in this field.

Owners, directors and officers of private and public companies are invited to send for a copy. Ask our Toronto Office or Branches for

"A Message to Corporate Management"

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Member: The Investment Dealers' Association of Canada
320 Bay St., Toronto
Montreal — *ELgin 2301* — Hamilton
Quebec City — Kitchener

What's New

New Products, Applications and Ideas Gathered from World-wide Sources or Made in Canada for the First Time

Three-Fuel Furnace

U. S. oil firm makes new "all-fuel" furnace; burns coal, oil or gas, adapting in seconds with switch of lever; household and industrial models.

• • •

Lower Cost Transfers

Cut of 80% in cost of color photographic transparencies for advertising claimed by maker of new reproduction method using non-fading pigments, translucent plastic sheets. Unconventional, transfers from original photo or art work without breaking into dots, using letter-press, other methods.

• • •

Cut-Out Rugs

New carpeting can be cut with scissors to fit room, around pillars; wool surface embedded with wires in rubber sheeting without weaving. Closer, deeper, tighter pile, dirt-resisting, no under-felt, says maker; recommends for restaurants.

• • •

Scotch Wire Tape

New Scotch-brand electrical tape for first layer and protection, uses only one tape; for heat, oils, acid conditions, stands high temperature.

• • •

Kills Tank Poisons

Nine years' research produced new weldor's face piece protecting against toxic atmosphere caused in tanks, etc., by welding repair, heat says U. S. firm. Weighs 8 oz., said to prevent asphyxiation, ultraviolet, infra-red radiation.

• • •

Washes, Dusts Buses

New bus washer removes all mud in two minutes, claims U. K. maker. Light alloy frame with rubberized flaps adjusts to any size bus, descends from garage ceiling around bus sides spouting water and rubbing with rotating flaps. Without water, dusts.

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

• • •

Accounting Aid

New system of producing, reconciling punched-card documents developed by Remington-Rand Inc. and Elliott Addressing Machine Corp. in U. S. works for employee earnings statements, corporation stockholders' records, many other purposes.

• • •

Camera Films Teeth

New British electronic dental camera photographs teeth and mouth on color film, uses 35 mm. reflex camera and synchronized electronic flash of 800 joule power rating. Special feature is great depth of focus by lens apertures down to f/96.

• • •

Burns Monoxide

New metallic catalyst speeds full combustion in coal burning heat equipment, says Canadian firm. Turns carbon monoxide to dioxide; cuts smoke, saves up to 15% fuel, cuts boiler tube corrosion, clinkers, maker claims. Coal is treated with solution.

JAMES STENHOUSE
has been appointed a director, Ronalds Advertising Agency Ltd., Montreal.

• • •

Long Wear Gloves

Longer wear claimed for new industrial "sand surface" glove. Palm, fingers one-fifth inch thick; handles wet objects with ease, U. S. maker claims.

• • •

Fishing Rod Alloy

New alloy recommended for fishing rods, auto antennas, combines corrosion resistance with high strength, hardness; good fabricating qualities, spring characteristics, can be hardened by simple, low-temperature heat treatment, says maker. Named "Armco 17-7 PH Stainless Steel."

• • •

Practice Golf Ball

Practice golf ball of Bakelite Polyethylene goes only 15-25 yards when hit, doesn't harm interior walls, screens, windows, but "feels" like regulation ball when teed off. For brushing up your stroke or learning fundamentals.

• • •

Raises Razor Power

Electric razor gets 80% more power, speed from "Shavex" device, claims maker. Plug-in is inverter with selenium rectifier, changes AC to DC.

• • •

Shelf Saves Space

New folding clothes rod and shelf hangs on 30 inches door, wall space; holds 30 garments, plus shelf room. Big space saver, says New York maker.

• • •

New Container

New "Turnerstyle" container is cross between collapsible tube and shape-keeping jars, pots. Contents held between rigid outer case, pliable foil on inside. Pressure on bottom, extrudes contents through top nozzle. Small opening guards freshness contents, but container attractive appearance kept, says U. K. maker.

Statistical Facts On New Pipeline Of Interprovincial

Some interesting facts about Canada's new pipeline from Edmonton, Alta. to Superior, Wisc., being built by Interprovincial Pipe Line Co., are given in the December-January Imperial Oil Review, just published. They are:

Oil in the line — Merely to fill the pipe line will take 1,838,000 barrels or 64,330,000 gallons of oil.

This is enough oil to supply all of Canada for six days.

If the oil were gasoline, it would be enough to drive an average passenger car 1,158,000,000 miles — 46,300 times around the world.

Steel in the line — The line will require 175,000 tons of high-test steel in its 1,150 miles of pipe.

This would be enough for 1,000 miles of main line of railway track.

Or this steel tonnage would make 2½ ships the size of the Queen Elizabeth — the world's largest.

Or it would make 118,000 averaged-sized motor cars.

Oil speed in the line — It will take about 26 days for a barrel to move from Edmonton to Superior.

Trenching for the line — The pipe line trench, five ft. deep, two ft. wide and 1,150 miles long, will mean excavating 2,250,000 cu. yds. This would make a pile of earth 100 ft. square and more than a mile high.

TSE Adds 5 Stocks In Base Metal Ind.

The Toronto Stock Exchange has increased the number of stocks used in the base metal index from 10 to 15 by adding East Sullivan Golden Manitou, New Calumet, Normetal and United Keno Hill. These issues now supplement the old list of 10 which comprised Consolidated Smelters, Falconbridge, Hudson Bay, International Nickel, Labrador, Noranda, Sherritt Gordon, Steep Rock, Quemont and Pend Oreille.

The use of 10 stocks in the old base metal index was to some extent governed by the number of seasoned issues in the group then available. Of late the advance of the base metal industry itself and the number of stocks listed, together with the fact that the use of 15 issues would be a better yardstick of market measurement than 10, warranted the change, it is stated.

However, in making a major change in any established index or average, care must be taken that the continuity of line and general trend are not broken. Studies leading to the current change in the base metal index have been under way for 15 months, it is stated.

U. S. Government Builds Consular Office Branch

Toronto's University Avenue last week saw construction started on a U. S. Government consulate-general building. Some already established on the business-government-hospital thoroughfare began thinking the U. S. move might signal Toronto's first "legation row." Architects are Mathers & Haldenby; contractor, Pigott Construction Co. Plans call for 3 stories, 17,000 sq. ft. reinforced concrete, stone, granite, clay tile, brick, aluminum sash.

TORONTO STOCK EXCHANGE share transactions and trading volume for January were higher than those for the previous month. Share transactions were 25,127,435 against December's 22,106,814 and sales value were $53,461,606 ($47,677,484). Daily average of stocks traded during the month was 1,092,497 shares, while 781 issues were traded in, of which 314 showed gains on the month against 356 declines.

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NEW ISSUE

$5,000,000
(Par Value)

The Shawinigan Water and Power Company

(Incorporated by Special Act of the Legislature of the Province of Quebec)

Series "B" 4½% Cumulative Redeemable Preferred Shares
(Par Value $50 per Share)

The Series "B" 4½% Cumulative Redeemable Preferred Shares are to be fully paid and non-assessable; preferred as to capital and dividends; entitled to fixed cumulative preferential cash dividends, as and when declared by the Directors, at the rate of 4½% per annum, accruing from March 2, 1950, payable quarterly on the second days of January, April, July and October by cheque payable in lawful money of Canada at par at any branch in Canada of a chartered bank from time to time selected by the Directors; redeemable at the option of the Company, on not less than 30 days' notice, as a whole at any time or in part by lot from time to time, at par and a premium of $4 per share plus an amount equal to all unpaid preferential dividends to and including the date of redemption, or the Company at any time or times may purchase the whole or any part of such Shares in the market or by tender at not exceeding par and a premium of $4 per share plus an amount equal to all unpaid preferential dividends to and including the date of purchase plus expenses of purchase; provided that, unless all Cumulative Redeemable Preferred Shares of all series then outstanding are being redeemed or purchased, the Company may not call for redemption or purchase or otherwise acquire any such Shares unless all accrued dividends on the Cumulative Redeemable Preferred Shares then outstanding for all previous dividend periods have been declared and paid or provided for at the date of such call for redemption or purchase or other acquisition. A full statement of the preferences, rights, conditions and restrictions relating to the Cumulative Redeemable Preferred Shares, of which $20,000,000 par value Series "A" 4% are now outstanding and $5,000,000 par value Series "B" are now offered, appears in the official offering prospectus.

Transfer Agent: Montreal Trust Company: Montreal, Toronto, Halifax, Winnipeg, Edmonton and Vancouver
Registrar: The Royal Trust Company: Montreal, Toronto, Halifax, Winnipeg, Edmonton and Vancouver

In the opinion of Counsel, these Series "B" 4½% Cumulative Redeemable Preferred Shares are investments in which The Canadian and British Insurance Companies Act, 1932, (Canada), as amended, states that companies registered under it may invest their funds, or any portion thereof.

Offering prospectus available on request

Proceeds of Issue

The proceeds of sale of the Series "B" 4½% Cumulative Redeemable Preferred Shares will be used by the Company for general corporate purposes.

Due to the postwar growth in use of electricity by industrial, commercial and domestic consumers, the Company is now engaged in the largest program of expansion in its fifty year history. This program began in 1946 and is scheduled for completion late in 1951. Over this six year period, expenditures for additions to generation, transmission and distribution facilities are estimated to aggregate approximately $95,900,000, of which over $57,700,000 had been made to the end of 1949.

Upon completion of the program, the installed turbine capacity of the Company's hydro-electric plants will amount to 1,403,200 h.p., an increase of nearly 60% over 1946, and two new plants will have been added to the Company's hydro-electric system on the St. Maurice River, the No. 3 Plant at Shawinigan Falls with a turbine capacity of 195,000 h.p., which came into operation late in 1948, and the Trenche Plant with an initial turbine capacity of 325,000 h.p., now under construction and scheduled to come into production in 1951.

Capital expenditures in 1950 and 1951 to bring the present program to completion are estimated at approximately $38,200,000. It is planned to finance these expenditures to the extent of approximately $16,500,000 from the proceeds of sale of $15,000,000 principal amount of First Mortgage and Collateral Trust Sinking Fund Bonds Series "Q", 3%, which the Company proposes to sell privately in the near future to investors in the United States; to the extent of approximately $5,000,000 from the proceeds of sale of the Series "B" 4½% Cumulative Redeemable Preferred Shares now offered; to the extent of approximately $11,700,000 from net current assets now on hand; and the balance out of earnings in 1950 and 1951.

Price: $51.75 per share flat

The listing of the Series "B" 4½% Cumulative Redeemable Preferred Shares on the Montreal Stock Exchange and on The Toronto Stock Exchange has been approved subject to the filing of documents and evidence of satisfactory distribution.

We, as principals, offer the Series "B" 4½% Cumulative Redeemable Preferred Shares if, as and when issued by The Shawinigan Water and Power Company and accepted by us, subject to the approval of all legal matters, on behalf of the Company, by Messrs. Scott, Hugessen, Macklaier, Chisholm & Hyde and, on our behalf, by Messrs. Heward, Holden, Hutchison, Cliff, Meredith & Ballantyne.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books without notice. It is expected that Interim Share Certificates, exchangeable for Definitive Share Certificates when available, will be ready for delivery in Montreal on or about March 2, 1950.

Dominion Securities Corpn. Limited

Wood, Gundy & Company Limited	A. E. Ames & Co. Limited	Collier, Norris & Quinlan, Limited
Nesbitt, Thomson & Company, Limited	L. G. Beaubien & Co., Limited	Royal Securities Corporation Limited
McLeod, Young, Weir & Company Limited	Greenshields & Co Inc	Savard, Hodgson & Co., Inc.
W. C. Pitfield & Company Limited	Bell, Gouinlock & Company, Limited	Mills, Spence & Co., Limited
Cochran, Murray & Co. Limited	MacTier & Co. Limited	Midland Securities Limited
René-T. Leclerc, Inc.	Matthews & Company	Geoffrion, Robert & Gélinas, Inc.
Gairdner & Company, Limited	Mead & Co., Limited	McTaggart, Hannaford, Birks & Gordon Limited
Société de Placements, Incorporée	James Richardson & Sons	Burns Bros. & Denton, Limited
Brawley, Cathers & Company	Charles H. Burgess & Company	R. A. Daly Co., Limited
Canadian Alliance Corporation Limited	Anderson & Company	Guildhall Securities Limited
J. C. Boulet, Limitée	Lagueux & DesRochers Limitée	Oscar Dubé & Cie, Inc.
La Corporation de Prêts de Québec	J. E. Laflamme Limitée	Garneau, Boulanger, Limitée
Eastern Securities Company Limited	Hamel, Fugère & Cie, Limitée	Société Générale de Finance, Inc.
Bélanger Inc.	Clément, Guimont, Inc.	Crédit Interprovincial, Limitée
Stanbury & Company Limited	Scotia Bond Company Limited	F. J. Brennan & Company Limited
Desjardins, Couture Inc.	Grenier, Ruel & Co. Inc.	Mackenzie & Kingman
McNeil, Mantha, Inc.	J. C. Rogers & Company, Limited	Milner, Ross & Co.
Houston, Willoughby & Company Limited	Tanner & Co. Limited	Pemberton & Son Vancouver Limited
McMahon and Burns Limited		The Western City Company Limited

February, 1950.

Sun Life New Business Over $372 Millions in 1949

Leads All The Canadian Companies In Life Assurance Sold Last Year

$114 Millions Paid to Beneficiaries

Fifty Years' Growth of Life Assurance Reviewed— Effects of Devaluation on Company's Holdings Noted

The growth of life assurance and its contribution to the general economy have been a feature of the past fifty years, Arthur B. Wood, president of Sun Life Assurance Co. of Canada, pointed out this week at the company's 79th annual meeting. Sun Life, which paid out over $114 millions in benefits to its policyholders in 1949, has played an important part in developing new ways of meeting the needs of the times, Mr. Wood noted.

He cited the fact that Sun Life of Canada issued the first group life assurance policy ever issued by a Canadian company. That policy is still in force. The group pension plan, a natural outgrowth of the group life assurance plan, was pioneered by Sun Life. Its first group pension policy was the first issued on this continent. The company also devised and first introduced the first non-medical life assurance plan on the continent.

The company wrote over $372 millions of new life assurance in 1949, only a fraction of 1% less than the business of the preceding year. The general trend of life assurance written in any country is governed chiefly by the prevailing economic conditions, Mr. Wood noted, and because its business is world-wide, the combined total of Sun Life business included some increases, some decreases. Of the total new business secured, 36.6% was from Canada, 32.2% from the United States, 16.8% from Great Britain and 14.4% from other countries.

It was gratifying to report an increase in Canadian ordinary new business of 7.4% which was somewhat larger than the increase reported for all companies combined, Mr. Wood observed. The company's group life assurance department set a new record in 1949, with $62.5 millions of new business, an increase of 13.8%.

With these increases, total life assurance in force at the end of the year totaled over $4.1 billions, an increase of $97.9 millions over the 1948 figure. This total included $3.2 billions ordinary business and $950 millions group life. Total annuities in force were equivalent in value to nearly $1.1 billions life assurance, bringing the combined total of life assurance and annuities to the equivalent of over $5.2 billions life assurance, the president pointed out.

Because of the international character of the organization, the company's financial operations were affected by the currency devaluations. Policies are written in the currency of the country in which the business is transacted, and where practicable, company policy has been to invest the funds received in securities payable in that currency. However, in some cases it hasn't always been possible to find suitable local investments. Consequently a substantial portion of the company's liabilities payable in sterling or other allied currencies is covered by investments payable in Canadian and U. S. dollars. To the extent that sterling liabilities, now of lower value, are covered by dollar securities, a portion of the policy assets has been released. Company practice under such circumstances is to set aside this portion as a special reserve.

After allowing for the reduction caused by the depreciation of the dollar value of sterling assets, the assets still showed an increase during the year of $36.6 millions, amounting to over $1.5 billions at Dec. 31, 1949. Mr. Wood noted that to help finance the war the proportion of available funds invested in Government bonds had risen from 21% in 1939 to 52% in 1945, and was now only 36%. Mortgages have increases from 4% to 10% of total assets since 1945.

While these assets serve to give protection and security to the policyholders and their families, to whom they will ultimately be distributed, they play an important part in the meantime in the development and progress of the nation, the president added. The changes in the asset account that occur with changing economic conditions, illustrate the way in which life assurance assets are made available to meet the pressing needs of the times.

In conclusion, the president told policyholders that life insurance is a virile expression of individual initiative and co-operative endeavour. It promotes good citizenship. By voluntarily planning their own personal economy through the exercise of foresight and thrift, many millions of citizens on this continent have determined for themselves the measure of protection and security necessary for their own and their family needs, and perhaps at some sacrifice of present luxuries and pleasure, are providing the means by which their future welfare is assured.

Following is the text of the president's address:

The end of the calendar year is always an interesting point of time for it is then that we are in a position to study the financial statements which tell us the story of the Company's progress during the year.

The Seventy-ninth Annual Report which has been presented on behalf of the Board of Directors is one which we can look to with pride and satisfaction, but before reviewing it in detail, a few remarks appropriate to the final year of the first half of the Twentieth Century will not be out of place.

The growth of life assurance during the past fifty years has been remarkable, not only paralleling the universal progress of mankind, but in marked measure contributing to that progress.

The first of January 1900 may well be regarded as marking the commencement of a new era in life assurance. Although life assurance had been practised in Great Britain for nearly a century and a half and on this Continent for about three-quarters of a century, little progress had been made in improving upon the methods and practices which had so long been followed. On this Continent, however, life assurance officials were giving serious study to improving the policy contract by removing unnecessary restrictions, granting enlarged privileges and benefits, and inserting tables of guaranteed values. They were also endeavouring to devise ways and means of enlarging and expanding the services of life assurance. A comprehensive review of the developments over the past fifty years cannot be attempted by me today, but a few figures will strikingly demonstrate this progress. Fifty years ago the amount of life assurance per capita held by Canadians was only $75; today the amount is $1,045. Similarly in the United States the per capita amount in 1900 was $90, and this has now grown to $1,440. Fifty years ago the total amount of life assurance in force in Canada was $404 million. Today the total exceeds $14 billion. In the United States, the population of 76 million in 1900 owned total life assurance of approximately $7 billion. Today, with double the population of fifty years ago, life assurance in force in the United States has grown over thirty times, to the large sum of $215 billion. The business has in fact expanded so widely that it now touches the lives and fortunes of people in all walks of life. On this Continent, the benefits of its service are enjoyed by approximately four out of every five families, protecting the widow and the orphan, safeguarding homes in the event of the loss of the wage-earner, taking care of the aged, providing for contingencies arising in business where key men are removed by death, giving security through group plans to industrial and office workers and their families, and fulfilling other purposes for which it is so eminently suited.

Growth of New Types

Probably the most striking illustration of how life assurance meets the needs of the times is to be found in the origin and development of the system of group life assurance. It was more than ten years after the turn of the century that group life assurance first saw the light of day in the United States. In Canada it made its appearance a few years later, when in 1919 the Sun Life of Canada underwrote the employees of a mid-western newspaper organization. This was the first group policy to be issued by a Canadian company, and is still in force to this day. Group life assurance has proven its value and popularity, for this comparatively new form of service has been the means of extending life assurance protection of approximately $46 billion to 25 million employees of firms and corporations, many of whom otherwise would probably have remained uninsured.

A natural outcome of the group life assurance plan was the group pension plan, in the development of which the Sun Life of Canada can claim to have been the pioneer. The first Sun Life Group Pension Policy was the first to be issued on this Continent.

The importance attached to group life and pension plans in the industrial field is now well known. It is not surprising that these plans have come to be regarded as an integral part of industrial and business organizations throughout the land, not only by the great labour unions but also by all forward-looking employers, and that the life assurance companies with their experienced personnel are today able to render corporations outstanding service in providing for the retirement of their employees.

Another noteworthy advance in life assurance practice has been the broadening of the classes of persons to whom life assurance is now granted. Under the direction of their actuaries and medical advisers, the life assurance companies have constantly sought to overcome those obstacles which formerly restricted life assurance service to persons who could conform to the standard of first-class lives. Experience gradually accumulated through the various investigations and studies carried on by the life companies, individually and collectively, has made it possible to establish statistical bases for the underwriting of many classes of lives which at the beginning of the century would not have been accepted. Most life assurance companies now grant insurance as a matter of general practice to a broad range of under-average lives at appropriate premium rates, with the result that the amount of assurance in force in Canada and the United States on policyholders classed as under-average lives today exceeds $9 billion.

Another modern innovation in life assurance practice deserving of mention is the non-medical plan, devised and first introduced on this Continent by the Sun Life of Canada. The plan has proven a great advantage in extending the benefits of life assurance protection, particularly in sparsely settled districts where medical services are not readily available. Conducted under suitable regulations, the plan has proven most successful and is now a matter of general practice. Today nearly one-half of all ordinary life assurance policies on adults are issued without medical examination. Other new benefits and plans unheard of fifty years ago include disability benefits, double indemnity accident benefits, family income plans, and many other plans, each having some special purpose designed to meet individual needs.

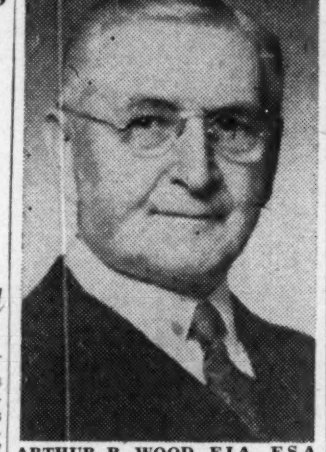
I would like here to pay special tribute to the life assurance agent whose zeal and earnest enthusiasm have done so much to bring security to millions of our fellow citizens. Experience has proven conclusively that without the agent, any substantial progress in life assurance would be impossible. While every right-thinking man realizes the essential need for life assurance and will readily admit its value, it seldom happens that he will take the initiative in obtaining its protection. It is a human failing to "put off until tomorrow", and it is this human failing that the life assurance salesman strives to overcome. But for the ability, energy and persistency of the agent throughout the years, vast numbers of the public today would be a charge on charitable institutions with all the psychological consequences and the public problems created thereby.

Earlier, I presented a few figures having reference to the growth of the life assurance business as a whole. Let me now compare in the same way the position of the Sun Life of Canada fifty years ago with what it is today. On January 1st, 1900 the assets of our Company stood at $9¼ million. Today they amount to $1,527,515,000. Our business in force was then $52 million; today it exceeds $4 billion. Payments to policyholders and beneficiaries in 1900 amounted to $2,600 every working day. This last year we distributed over $450,000 each working day. In 1900, our Company wrote about $10 million of new business per annum. In 1949 our new business amounted to $372 million.

Importance to National Economy

Any review of the development of life assurance would be incomplete without reference to its important contribution to the economic welfare of the nation. While the primary function of life assurance is to ensure security for the individual, the very nature of the business creates an institution which, entrusted with the savings of millions of people, must in turn accept the responsibility of that trust and discharge it with foresight and wisdom. The assets of the life companies are the accumulation of the premium savings of the people. These assets are invested in government bonds and in high-grade industrial, public utility and other securities, and in mortgages, in which latter field an important social service is being rendered by helping people to build their homes. The life companies have become the principal source of supply of funds for investment in long-term securities.

The work that life assurance has done and continues to do in improving the standard of the nation's health is worthy of special mention. As the primary function of life assurance is to insure as many people as possible at the lowest possible cost, it is natural that the companies should support any activity or research that is likely to improve the national health. During the last fifty years there has been a steady and constant rise in the average length of life of the people as a whole, the expectation of life from the date of birth having increased by about one-third. A child born in North America during 1900, according to the mortality rates then prevailing, had a life expectancy of about 48 years. Today the expectancy for a male child is 66 years and for a female 71 years. This improvement is due chiefly to a sharply reduced mortality during infancy and the earlier and middle years of life. Medical research has made immense strides toward the elimination of many diseases regarded as formidable enemies of mankind. Since 1900, the death rate from all causes in the general population has declined by about 36%. This improvement has resulted from the great reduction in deaths from certain diseases, particularly the following: deaths from typhoid fever have declined about 98%; from childhood diseases (whooping cough, scarlet fever, measles, and diphtheria) by 94%; tuberculosis, 79%; influenza and pneumonia, 67%.



ARTHUR B. WOOD, F.I.A., F.S.A.

Notwithstanding this notable record of achievement, much remains to be done to lower mortality at the older ages of life, notably in the fields of cardio-vascular and cancer research. Recognizing the importance of studying the causes, prevention and cure of diseases in this category, the Life Insurance Medical Fund was established in 1945. Its purpose in the words of its constitution is "to make financial grants in support of medical research, the results of which are expected to reduce mortality and improve longevity". Most of the life companies in the United States and Canada are contributing members of this Fund. Thus far it has confined its efforts to research in connection with diseases of the heart, now the major cause of death in life assurance experience. In Canada, long-term studies on the processes of aging and poliomyelitis are already being financed by the life assurance companies, and an additional stimulus has been given to medical research by the inauguration in 1949, of a programme which will provide a considerable number of research fellowships at university medical schools. The prevention of diseases and prolongation of life are obviously of basic interest, not only to the policyholders of life assurance companies, but to the community generally. The life assurance companies are proud of their contribution to this end.

Inherent Strength, Permanence

The story of the past fifty years also offers striking evidence of the inherent strength of the institution of life assurance and the permanence of its character. The course of life assurance has been by no means smooth sailing. In the past half-century, it has experienced periods of good times and of bad times, booms and depressions, wars and epidemics—all of which have presented problems of major character which have tried and tested the soundness of the fundamental principles on which the business is based. Of the disturbing events of this period, the following are particularly worthy of mention: the severe business depression in the United States in 1907; the first World War, 1914-1918, and the world-wide epidemic which followed; the period of depression following World War I and the subsequent boom period which culminated in the market crash of 1929; the great depression of the early 30's, and finally the Second World War of 1939-1945 and its aftermath. These untoward events presented many unusual and serious problems affecting the entire business world. The life assurance companies, however, have at all times overcome these difficulties satisfactorily without curtailing in any way their service to policyholders. At the same time they have continued to grow in size and strength.

In summing up this brief review of the half-century, it can be said that the record of life assurance on this Continent is an undeniable tribute to the efficiency of the system of private enterprise in a highly competitive field of human endeavour. The force of this competition may be judged by the fact that at 1st January 1900, there were 85 American companies and 17 Canadian companies actively transacting business, a total of 102; today the number has grown to 615. On this Continent in particular, where the system of free enterprise has had its highest form of expression, with the resulting high standard of living, the companies have vied with one another in providing better service for their policyholders and the community generally. There has been the keenest rivalry between them and at the same time a fine spirit of co-operation has prevailed in promoting the distribution of life assurance services to the people. The widespread public consciousness which exists today of the essential need for life assurance is attributable to this ceaseless competition. The growth and expansion of the business is a reflection of public confidence in the companies, and affords striking evidence of public appreciation of its services.

This is all I have to say about the past.

I will now proceed to discuss the results of our operations during 1949.

Devaluation of Sterling

One of the most important happenings of the past year has been the devaluation of sterling and allied currencies, and as the Sun Life of Canada operates in many countries it is natural that inquiry should be made as to the effect of devaluation upon the Company. A brief statement of our methods of operation in countries outside of Canada will serve to present a clear picture of the Company's position.

The general principle observed on commencing business in any country has been to adapt our practices to the needs of local conditions. Policies are written in the currency of the country, and all policy transactions are conducted in that currency. It has been our general policy to endeavour as far as has been practicable to invest the funds arising from such business in securities payable in the same currency, and so to build up a portfolio of suitable local investments. In some countries, however, this has not always been possible. Consequently, our present position is that a substantial portion of our liabilities which are payable in sterling or other allied currencies is now covered by investments in Canadian and American dollars. The effect of the depreciation of these foreign currencies, therefore, is to decrease in value that portion of sterling liabilities which is covered by dollar securities, while the corresponding assets remain at their full original value. A reduction in the exchange value of sterling, therefore, releases a portion of the policy assets, which it is our practice under such circumstances to set aside and treat as a special reserve.

What the future course of sterling may be, no one can predict with confidence. It may fall further or it may rise in value later on. In our particularly favourable situation it is clearly a matter of prudent and conservative policy, not to take full advantage of the disparity between our book rates of exchange and the existing market rates. Accordingly we have reduced our book rate for the pound sterling only to $4, with corresponding changes in the rates of other currencies, thus reserving a substantial margin against sterling increase in value.

For annual statement purposes all transactions outside of Canada are converted into Canadian dollars at appropriate rates of exchange. We always treat the American dollar and the Canadian dollar as equal in value, and take no advantage in our financial statement of any premium that may exist at the moment on the American dollar in relation to the Canadian dollar.

The effect of these currency changes upon our statement figures has been to reduce the dollar value of assurances in force, assets and liabilities, payable in such currencies. Consequently the increases in these items disclosed in the present report, as compared with the figures of the preceding year, are smaller than otherwise would have been shown.

The Fulfillment of Obligations

In reviewing the year's achievements I am adopting a different order of procedure than that usually followed, by starting at the end of the road rather than the beginning; and so, the first item I am dealing with is payments to policyholders. It is this item which tells the extent to which the Company is fulfilling the purposes for which life assurance exists. Payments disbursed to policyholders and beneficiaries totalled $114,799,174, of which $31,315,431 was paid in death claims and $83,483,743 to living policyholders. These large payments mean that there is a steady flow of money from the Company into the pockets of people throughout the length and breadth of the land, at the rate of over $450,000 each working day, and this amount is constantly increasing. This money, for the most part, falls in at a time when the need is greatest, and is largely spent on the basic things in life—food, clothing, housing, and education. Payments to living policyholders are used mainly to supplement the income of the recipients in the later years of life. Life assurance is clearly a business which serves the average man, as may be judged by the fact that of the total death claims year after year, about 87% occur under policies of $5,000 or less.

Since organization, the Company has distributed to its policyholders $2,240,556,000, which with the assets now held for their benefit, exceeds the total premiums paid by $478,198,000.

Responsibility as Trustees

We do not consider that our responsibility to policyholders and beneficiaries necessarily terminates with the payment of a definite sum of money in discharge of a policy obligation. Our duty also is to endeavour to see that the money will not be spent unwisely, but will be used in a manner which will best achieve the purpose intended.

Various forms of settlement are accordingly provided for in the policy contract, whereby the proceeds may be left at interest with the Company, to be paid out in the manner selected as best suited to meet the particular circumstances of each case.

The total so left with the Company in 1949 was $31,474,986, and $23,114,878 was distributed from amounts deposited under like arrangements in previous years. The balance now remaining in trust with the Company is $151,155,171 as shown in the statement of liabilities.

New Business

New life assurance secured in 1949 totalled $372,509,847, an amount only a fraction of 1% less than the business of the preceding year. The general trend of new life assurance written in any country is governed chiefly by the prevailing economic conditions, rising or falling as the national personal income rises or falls. Life assurance production has come to be regarded as a barometer of business conditions. As the Sun Life of Canada operates in many countries, the combined total of its world-wide business is naturally affected by the varying conditions prevailing in different countries. In some cases increases are shown, in others decreases. Of the total new business 36.6% was secured from Canada, 32.2% from the United States of America, 16.8% from Great Britain, and 14.4% from other countries.

It is gratifying to report an increase in Canadian ordinary new business of 7.4% which is somewhat larger than the increase reported for all companies combined. We are also pleased to report that our Group Life Assurance department has established a new record, with $62,493,901 of new business, an increase of 13.8%. New annuity contracts, covering both individual annuities and group pensions, provide for payments of $3,261,772 per annum. From the standpoint of the amount of money which would be required to purchase such life incomes, this annuity business is equivalent to $43,055,000 of life assurance.

The life and annuity branches combined thus produced the equivalent of $415,565,000 of new life assurance.

Life Assurance and Annuities in Force

Life assurance in force now totals $4,187,193,642, an increase of $97,959,460 over the 1948 figure. (See comments on effects of devaluation of Sterling). This total is made up of $3,234,092,880 ordinary business and $953,100,762 group life. Ordinary life assurance policies now number 1,088,752, the minimum policy being for $1,000 and the maximum $250,000, the average of all being $2,970. The number of group life assurance certificates is 495,116.

Annuities in force, individual annuities and group pensions combined, provide for payments of $82,901,419 per annum, of which $10,102,797 per annum is now being paid. The balance will become payable as each individual attains the age specified in his contract. The total number of individuals provided for under these annuities and pension policies now exceeds 100,000. The total of the annuities in force is the equivalent in value of $1,094,000,000 life assurance.

The measure of our service, as determined by the combination of the two branches, is thus the equivalent of $5,281,000,000 life assurance.

The following table shows the distribution of the business according to the territorial agency divisions:

	Life Assurance in force	%	Annuities in force Annual payments Provided for	%
Canada	$1,520,511,850	36%	$42,537,191	51%
United States of America	1,672,557,388	40%	27,899,276	34%
Great Britain	506,747,887	12%	10,301,030	12%
Eastern Department	320,188,191	8%	2,163,922	3%
Western Department	167,188,326	4%		
TOTAL	$4,187,193,642	100%	$82,901,419	100%

(The **Eastern Department** comprises South Africa, India and other countries in the Far East; the **Western Department**, Argentina, Cuba, Puerto Rico and the West Indies).

Assets

The assets have now passed the billion and a half mark and total $1,527,515,783, an increase of $36,645,742, after allowing for the reduction caused by the depreciation of the dollar value of sterling assets. This large fund has been accumulated from the small periodic payments contributed by our million and a half policyholders, and must be conserved and accumulated to ensure the payment of policy obligations.

As the business grows year by year, the reserves required to be maintained to ensure the payment of policy obligations as they fall due grow correspondingly, and the assets increase accordingly. The magnitude of the assets, therefore, should be regarded as a measure of the extent of the Company's service to the public. These funds continue to grow because the Company is constantly progressing, broadening its sphere of operations and extending its benefits to more and more people year by year.

While the assets serve to give protection and security to the policyholders and their families, to whom they will ultimately be distributed, they play an important part in the meantime in the development and progress of the nation. The manner in which life assurance assets are made available to meet the pressing needs of the times is well illustrated by the changes in the asset account that occur with changing economic conditions. During the war, for example, all available funds were used to purchase Government Bonds and thus aid in financing the war. During that period Government Bonds increased from 21% at the beginning of 1939 to 52% of total assets at the end of 1945. Since the end of the war, the investment policy has changed and the funds have been used to meet the needs of industry and the community generally, particular attention being paid to assist in the building of homes. The result is that Government Bonds now form but 36% of the assets, while Mortgages have increased from 4% to 10% at present. Our mortgage account now stands at $157,400,000, an increase of $32,657,000 during the past year.

The chart which appears in this report, headed "How the Sun Life Dollar Helps the Nation", shows the distribution of the assets at present amongst the various classes of securities.

All assets are included in the statement at book values, in no case exceeding cost. The aggregate of the market values exceeds book values by a large amount, but no credit is taken for the excess.

Liabilities

The statement of liabilities needs but little comment, the major item being the life assurance and annuity reserves, totalling $1,205,234,885. The other items are self-explanatory.

After providing for all liabilities and capital stock, there remains surplus and contingency funds totalling $98,335,368 or 6.9% of the total liabilities, showing the Company to be in a very strong financial position.

Surplus Earnings

Surplus earnings in 1949 from what are termed normal sources amounted to $28,374,911 as compared with $24,927,044 in 1948, a most satisfactory result. Mortality experience again was very favourable, resulting in increased savings from this source. A substantial increase was realized in the gain from interest earnings, the average rate realized on the total invested assets having increased to 3.48 percent as compared with 3.30 percent in 1948. Expenses, however, including taxes, were somewhat higher than in the preceding year. These earnings were disposed of as follows: the sum of $15,957,503 was distributed in dividends to policyholders; various allotments were made to special reserve funds, and shareholders' account was credited with its proportion of the total profits distributed, (2½%). The balance of $4,578,729 was added to surplus.

Profits realized from the sale or redemption of securities, termed non-recurring, were applied largely to the writing down of book values of securities.

Policyholders' Dividends

Five years ago a new scale was adopted for the distribution of dividends to policyholders, resulting in substantially increased dividends on most plans. In view of the satisfactory earnings realized in 1949, and our opinion that earnings are likely to continue favourable, it has been decided to make a further increase in policyholders' dividends to take effect from April 1st next, applicable to policies issued at Northern rates.

Staff

The Sun Life of Canada takes particular pride in its staff, composed as it is of loyal and efficient workers in every department of its organization. Promptness of action and courtesy in dealings with others are recognized as elementary virtues which everyone who represents the Company in any capacity is expected to observe. On behalf of the Directors I take this opportunity of paying special tribute to the officers, members of the Head Office and Branch Office staffs, and the agency managers and field representatives everywhere, for the splendid contribution they have made to the Company's progress.

I will now conclude this address with a brief comment on the fundamental nature of this business.

Life assurance is a virile expression of individual initiative and cooperative endeavour which enables men and women to meet the unpredictable vicissitudes of the future, for themselves and their families, by voluntarily planning their own personal economy through the exercise of foresight and thrift. In this way, many millions of citizens on this Continent have determined for themselves the measure of protection and security necessary for their own and their family needs, and, perhaps at some sacrifice of present luxuries and pleasure, are providing the means by which their future welfare is assured. This fine spirit of independence is of our national heritage, not to be endangered by any philosophy of weakness promoting the idea that something can be got for nothing. Regimentation in any form is the enemy of initiative. Life assurance is one of the greatest institutions of our time, founded and maintained by the voluntary endeavours of self-reliant and independent citizens. Life assurance promotes good citizenship.

Directors' Report Summarizes Results For The Year 1949

Following is the report of the directors of Sun Life Assurance Company of Canada at the Company's Seventy-ninth Annual Meeting:

New life assurance policies paid for during the year numbered 73,889 for an amount of $372,509,847, of which $2,241,686 was reinsured.

New annuity contracts paid for numbered 2,677, and provide for immediate annual payments of $203,599, and deferred annual payments, to commence at fixed retirement ages, of $3,058,173.

Life assurance in force at December 31st amounted to $4,187,193,642, represented by 1,091,299 individual policies and 495,116 certificates of assurance on the lives of employees of firms and corporations under the group plan; of this amount $36,703,431 was reinsured.

Individual annuity contracts in force numbered 44,024, and in addition retirement benefits for 75,562 employees are provided for under group annuity contracts. Current annual payments under these contracts amount to $10,102,797, and deferred annual payments to $72,798,622; of the deferred annual payments $29,680 was reinsured.

Premiums received from policyholders amounted to $155,896,576.11. Policy proceeds and other amounts left at interest amounted to $31,474,986.98. Interest, dividends and rents amounted to $50,633,325.01. Net profits from the sale and redemption of securities after adjustment of asset values amounted to $830,669.04. The total income for the year was $238,835,557.14.

Payments to policyholders and beneficiaries during the year amounted to $114,799,174.78. The total payments since organization now amount to $2,240,555,979.42.

Surplus earnings for the year from normal insurance operations amounted to $28,374,911.82. After making provision for policyholders' dividends, credits to shareholders and Company retirement plans, the balance of these earnings together with the net profits from the sale and redemption of securities after adjustment of asset values, has been added to policyholders' reserves and to surplus. The surplus now amounts to $83,335,368.32 and the contingency reserve to $15,000,000.00, the combined surplus and contingency reserve over all liabilities and capital stock account being $98,335,368.32.

The assets now stand at $1,527,515,783.56.

The rate of interest earned on the assets was 3.48 per cent.

The mortality among policyholders has continued at the satisfactory rate reported in recent years.

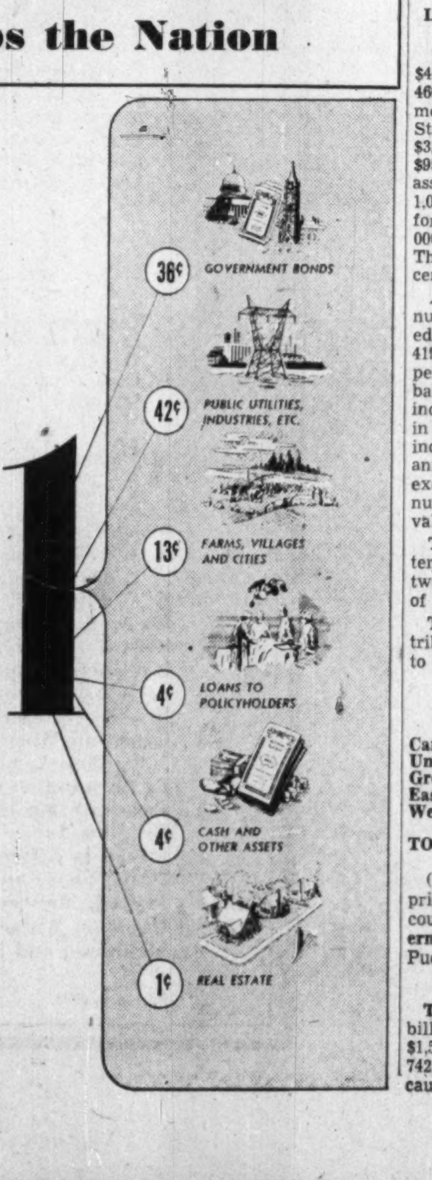
Policy liabilities have been valued by the full net level premium method.

A new scale of dividends which will result in increased dividends to the holders of participating policies on the principal assurance plans issued at the northern scale of premium rates has been adopted to become effective on April 1, 1950.

The Directors record their appreciation of the efficient service of officers, branch managers, field representatives and head office and branch office staffs.

How Sun Life Dollar Helps the Nation

By prompt investment in Government, Municipal, Corporation and Public Utility enterprises, the premium payments of 1,500,000 Sun Life policyholders are put safely to work. Thus, in safeguarding their families and their own future, Sun Life policyholders indirectly help the nation by strengthening business and industry, developing natural resources, building and maintaining homes and schools and financing many other essential services.



The Financial Post

Vol. XLIV | Member of Audit Bureau of Circulations | Publication Office: Toronto, February 18, 1950 | Fifteen Cents an Issue, Five Dollars a Year | No. 7

Canada, the New Arsenal for Aircraft Engines

Post's Recorded Interview With Sir Roy Dobson Points Up Importance of Malton Development

In four short years, Canada has zoomed from close to last place in world aviation to a contending position up with the leaders. Much of the impetus which made the transformation possible is coming from a war-surplus plant at Malton, just oustide Toronto. There in the buildings once used by Victory Aircraft, A. V. Roe Canada Ltd., a subsidiary of the famed British Hawker - Siddeley Group, is carving a place for Canada in the new air age.

One of the men whose vision made this possible is Sir Roy Dobson, a friendly, stocky Britisher who talks like Winston Churchill. He is president of the Canadian firm, managing director of the A. V. Roe Co. of Manchester, England, and a director of the Hawker-Siddeley Group. This week he was in Canada to get a first-hand report on Avro developments here:

(1) The 50-passenger, 460-mph Jetliner Transport;

(2) The secret RCAF all-weather, long-range fighter, the first of its kind in in the world;

(3) And the powerful Orenda turbojet engine.

Here, The Post presents an exclusive recorded interview with Sir Roy and Walter Deisher, vice-president and general manager of the Canadian plant:

Q. Sir Roy, is there any special reason for your visit?

A. Nothing very special. It is my biannual visit. But this trip is perhaps even more interesting than any other because the transport has flown, the fighter has flown and we are just getting ready to put the Orenda turbine into the air.

Q. At what stage is all this various development?

A. First, the jet transport: that now is just being prepared for its pressurizing tests in the air. It will complete those very shortly and then go on to obtain its American certificate of airworthiness. After that it is a matter of selling it, because I am quite convinced from what I have seen, and from my studies of the thing here, that there are no technical or aerodynamic snags to upset us.

Q. Where are you planning to sell it?

A. Well, we hope to sell it all over the world. We hope to start here in Canada. I feel much more confident now than when I arrived. We might sell some in the U. S. I have evidence that the U. S. operators, who are about the hardest-headed and most experienced operators in the world, are definitely interested. And we are hoping to talk to some of them personally before we go back home.

Q. Are you aiming at the U. K. too?

A. We are taking it over to England about the end of August or early in September and I'm hoping to interest British and European operators. Whether we shall do a European tour or a tour of the Near East I don't quite know. At the moment we have really great interest in it in Australia. I think there might also be some South American interest. We hope the second aircraft will be ready before we take the first to England. That will help us out in our sales, tours and demonstrations.

Military Development

Q. Has this aircraft any military implications or is it purely a commercial venture?

A. It was designed purely as a commercial transport. But its performance, I think, might make it attractive to military people, particularly if we do what's projected: that is, develop the machine in such a way that it will have considerably greater range. I think even as it is, they would be showing a little more interest than they are if it wasn't for the fact that we all seem to be cutting down on our defense program expenditure.

Q. How about the military side of the Avro Canada development?

A. Well, the fighter; that's unique in its own way—a twin engine, long range, two-seater which carries all the very latest radio, radar and navigational searching aids and that, as you know has already flown. I am hoping that it will continue its flight tests this week and that again I hope to have cleared in plenty of time to take it over to England. We want to show it to the Royal Air Force and then we want to have it at the SPAC show in order to let the foreign military heads see it. We have great hopes of selling that abroad too if we can produce it sufficiently cheaply and quickly.

Q. How is the jet engine project coming along?

A. The Turbine project is, I think, not only more interesting but I think it is really more vital to Canada and to this company than anything else we've got.

Q. Do you mean to your company here or to your company in the U. K.?

A. I am referring particularly to the company in Canada. I think that if there did happen to be an emergency, one of the controlling factors would probably be the production of turbines. And this operation would render a very big contribution in the relief of that congestion which might occur. But quite apart from that there is a world shortage of good turbines and this development has shown that it is as good—at least as good—as anything of its class in the whole world. And therefore I am anticipating being able not only to use in our own aircraft which we make here but I'm hoping to sell it to other aircraft manufacturers in the States, in Europe and even further afield.

Canadianization

Q. What does all this mean, first to the Canadian aircraft industry; the Canadian economy and to the over-all defense picture, not only of Canada itself, but of the U. K. too?

A. First of all from the economic position of Canada: it finds profitable employment for Canadian personnel; it enhances the technical status of engineering in Canada; provides education for a lot of people who'd never get it. It also, I think, has made one of the most definite steps in advancing Canada in the field of basic engineering. You now have something here that you never had before. But it also has a very important secondary effect. It has meant developing Canadian sources of supply—castings, forgings, etc. Up to now, Canadian firms said they couldn't make these. We showed them how and now they are doing it—and very well too. Right now 90% of the jet engine is being built in Canada. Before long, it will be 100%. That is a remarkable achievement. In addition, firms outside Canada which now make components such as undercarriages are being told they must make the complete unit in Canada. If there is an emergency, production won't be tied up because a shipment of engines from England was torpedoed. The industry is being "Canadianized." Also, it means that we are in a position to compete in the world's markets for gas turbines that were never, never in any kind of aircraft engine before. And of course, that's only looking at it from the purely aircraft point of view. But there may be a lot of other applications for this sort of turbine. Maybe all kinds of sizes, small ones, larger ones. They may be adapted for commercial use or all kinds of purposes that we haven't even had time to consider up till now.

How RCAF Fits In

Q. How about the military aspect of this engine?

A. It does, at least, give the RCAF a home-made power unit which they've never had before; which they can have made to fit in with their own particular and maybe special requirements. It means that we are in a position to design and develop various kinds of turbines to suit any kind of Canadian military aircraft that they may secure or that they may require. Before we always had to rely on British engines or American engines. We are hoping that this will be the beginning of the relief from the RCAF point of view.

Q. We found during the last war that with shipping as precarious as it was, we just couldn't depend on British equipment.

A. That is certainly so and we've had that in mind in starting this. We have had lots of discussion with RCAF officials and with your government and maybe that has had some weight in persuading them to give us their support.

Q. Has there ever been a suggestion that this is part of an over-all dispersal program by the British aircraft industry?

A. No. We didn't think of that at the time we started. I first came over here in 1943. The first little seeds were sown in my mind then. Then I came over again in 1945 and started negotiations to make things here. Eventually they came to fruition after a lot of struggling and the result is what you see today.

Q. There is no suggestion that over-all U. K. government policy is involved?

A. No. Nothing of that kind because, well, the war was only just over and we didn't anticipate having any trouble for a long time. But we're being threatened and we are only too glad this plant is here. You can call it luck or foresight or what you like that it is here.

World Trends

Q. What is the general picture on aircraft, military and commercial, in Britain, the Continent, Russia? As the president of British Society of Aircraft Constructors would you be in position to know just what is going on in Russia?

A. I don't know what's going on behind the Iron Curtain.

Q. Have you heard any reports?

A. No, except to the effect that I think we know they are building aircraft and armaments of all kinds. At what speed, what rate they're building or just what they are, I don't know. In England of course, we are pursuing our normal development. We rarely stop development of civil or military aircraft.

We have to sell our stuff abroad in order to live. And aircraft is one of our major exports. For the year ending Dec. 31 last, we exported something round 34 and 35 million pounds worth of aircraft, engines, and so on. That's a fair contribution to the exports of the country. I hope that something like that, even if it's on a smaller scale, will happen right here in Canada.

Q. What is the trend in military aircraft? Will this new British twin jet bomber, the Canberra, make today's bombers out of date?

A. It is the first of the new breed out of the bag. It is a medium bomber. And I suppose there are heavy bombers following it. But the heavy bomber is a longer-term job. It takes time to produce them.

Q. There has been a suggestion development of the Canberra meant the heavy bomber as we know it was a thing of the past, as far as the U. K. was concerned? Is this so?

A. I wouldn't like to be too definite about that but I think that it would be quite wrong myself, in assuming that there won't be any heavy bombers. You can read yourself about various weapons — H-bombs, A-bombs. It's no good developing those unless you develop something to carry them. Today's development on heavy bombers is making them fly much higher and faster than ever dreamed of before.

Jets vs. Piston Engines

Q. As far as power is concerned, is the emphasis in Britain today all on turbines?

A. Yes—entirely on jets.

Q. Is there any place for the piston engine, in a modern aircraft.

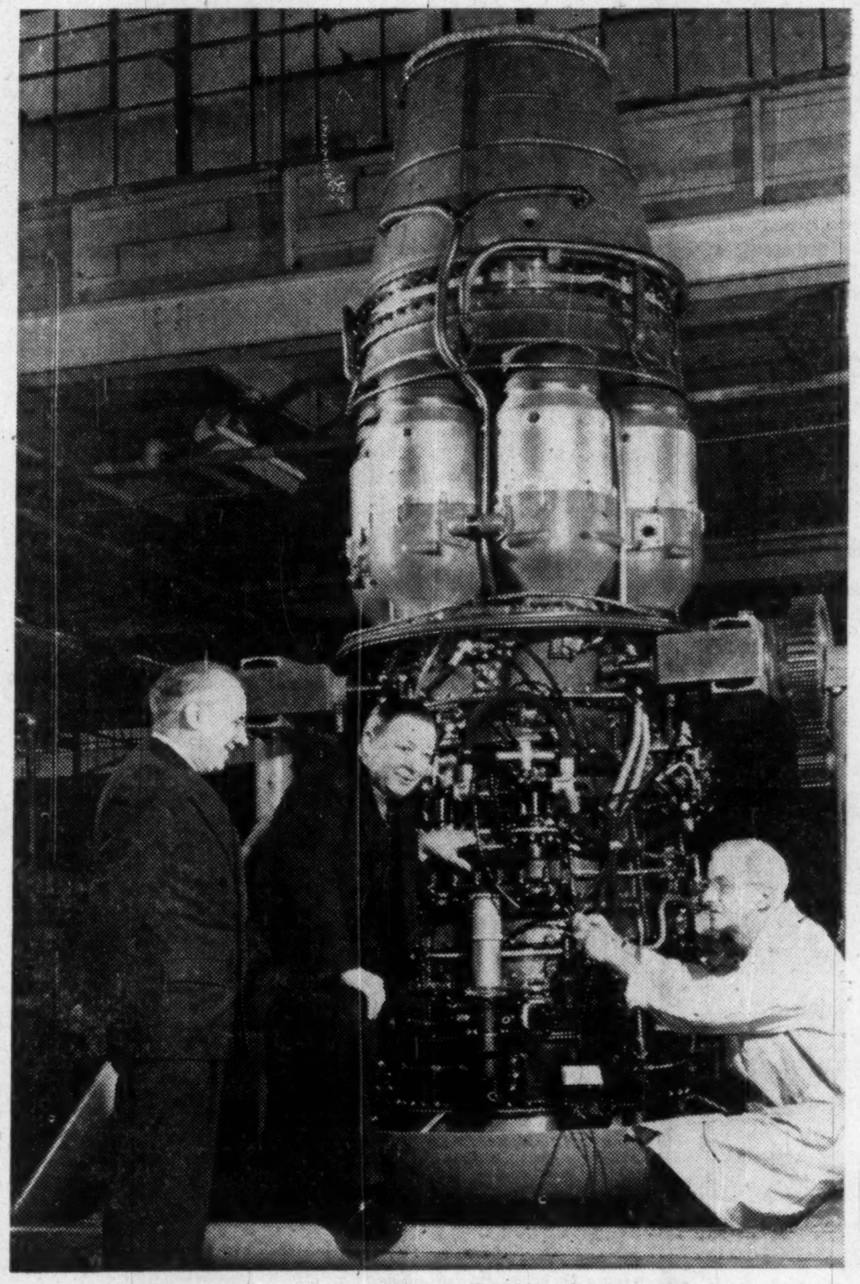
A. There may be some small place for it on the grounds of economy or extreme ranges or something of that kind. But my belief is that ultimately we shall get the turbines sufficiently economical to displace piston engines entirely.

Q. Could you illustrate the advantages of the jet by referring to the Avro Jetliner; the initial cost, maintenance and operating costs?

A. Well, anything to which turbines are fitted today are going to be more expensive than things with ordinary piston engines. That is in initial costs. We haven't made enough turbines in the world to get down to anything like the efficiency of manufacture that we have on the old type piston engine. But from the point of view of operating costs, there's only one factor that is higher in costs than the ordinary piston engine and that is fuel consumption. And that is the one thing that everyone is concentrating on getting down. We've got much more power than you'll ever get out of a piston engine of reasonable size. And from the point of view of the occupants of the aircraft, we've got silence, which we would never get with a piston engine and a propeller. The combination of these two makes it impossible to have quiet airplanes. Now that means not only silence but absence of vibration. This in turn means cheaper maintenance. Your aircraft structure is not subject to the fatigue stresses that are imposed on it by vibrating piston engine and vibrating propeller. That all disappears. Turbines are easier to maintain. In practice, in England, we have found in certain operations, we only needed about 50% of the engine maintenance personnel that we had when we were using piston aircraft to do the same job.

Speed Compared

Q. What about cutting time between two points; what do jet engines mean in terms of speed?



Sir Roy Dobson (centre), Walter Deisher (left) pose before Avro's Orenda jet engine.

A. That is the essence of the matter really. We have worked out very carefully, schedules which show that we can fly more passenger miles in a given time or more ton miles than any piston aircraft due to the speed at which we go. And particularly do we gain against head winds and on long flights.

Q. Could you make a comparison between a North Star on the Toronto-New York run and the Jetliner?

A. Our time to fly Toronto to New York is 55 minutes. TCA time with North Star is two hours.

Q. What does that mean in miles per hour?

A. It all depends on whether you mean when we get to our height or what. You see, if you mean average speed on a short hop to New York including taxiing out, taking off climb to height, shutting off, coming down and landing it, it would only be about 310 mph. But if you took it say, on a 1,000 mile run, it would be roughly 380 mph. If you continue the curve up and you go to 1,200 miles, you get about 385 mph. If you go to about 1,400 miles, you get about 400 mph. But remember that's average speed; not actual speed in the air because it takes into account everything from the time you taxi out to the runway to the time you shut off your motors. That's an all-in time. Once we're in the air, we shoot up to 30,000 feet pretty quickly. Then we are cruising at 465 mph, if we want to.

Q. How does that compare with today's commercial transports?

A. Take a DC-3 over the same ranges. At 400 miles, she'd cruise at about 160; for 1,000, about 165, giving it all the advantages you could give it. It stays at that; it won't go any faster. There's a difference of 165 to around 400 for our jet transport. Take the DC-6 which is a later type aircraft like the North Star. On a 400 mile hop, average speed would be 235 mph, on 1,000, 255 mph. Again against ours of nearly 400 mph, you see the saving in time. And the DC-6 is one of the best we've been able to find. That is the nearest one to us at the moment.

Q. What do you think passenger reaction will be to the Jetliner?

A. Once they get a chance to ride in this thing I don't think they will ever want to go back to aircraft powered with piston engines. Public opinion will demand jet power—because of speed, silence, absence of vibration.

Q. How about the corporate structure of Avro, Canada? Is it a wholly owned subsidiary of the parent British firm or is there Canadian money in it?

A. It is a wholly owned subsidiary of the Hawker-Siddeley Group.

Q. Is it a sort of joint undertaking with the Canadian Government?

A. No. Not at all. The Canadian Government has assisted us greatly because of the difficulties of getting money out here. Mr. Howe made very easy terms. And your government has since supported us with work which enabled us to carry on. But we have been allowed by the British Government to send out here several millions of dollars which we now have and which we are now working on. And they have allowed us to borrow money from the Canadian banks which we have guaranteed at home, and so on.

What About Costs?

Q. About how much has been spent here already on these various Avro projects?

A. About $32 millions.

Q. How would that be divided?

A. The Jetliner development has already cost about $6 millions—we'll probably spend another $1.5 million before it is finished. I haven't the figures on the fighter; anyway I don't think we should give them out.

Q. Some of that $32 millions would be Canadian Government money, would it not?

A. Oh, half of it.

Q. Has it been orders from the Canadian Government which has made all this possible?

A. Oh, yes. We have done a lot of repair and reconditioning work. Then there's some commercial work. In fact we've taken anything we could to help us carry on this development program.

Q. Generally speaking, has the Avro program been mainly development rather than production?

A. Up to this stage, yes. But now we are getting to the stage where we are getting ready for production. During the period we took on any kind of work we could find just to enable us to have a bit of money to work with.

Q. How many people are now employed?

A. Over 3,600.

Q. Will this be increased substantially now you are going in production?

A. I would say that by this time next year we will have perhaps another 1,000 people.

Q. You could make claim then, that Malton is the heart of Canadian aircraft industry?

A. I think we can safely say that.

Q. Is this the first time we have really established a proper base for our aircraft industry?

A. That is right.

Q. What are we doing it with from the standpoint of personnel: is it a Canadian venture or are you using imported U. S. experts?

A. I would primarily say that the main reason for our accomplishment to date is the fact that we have had all of the know-how of the Hawker-Siddeley Group in the U. K. together with not so many technicians from England, but key men who were able to come over here and help mold our Canadian engineers into what I think is a very efficient team.

Q. Sir Roy, what have you got to say about this Canadianization trend?

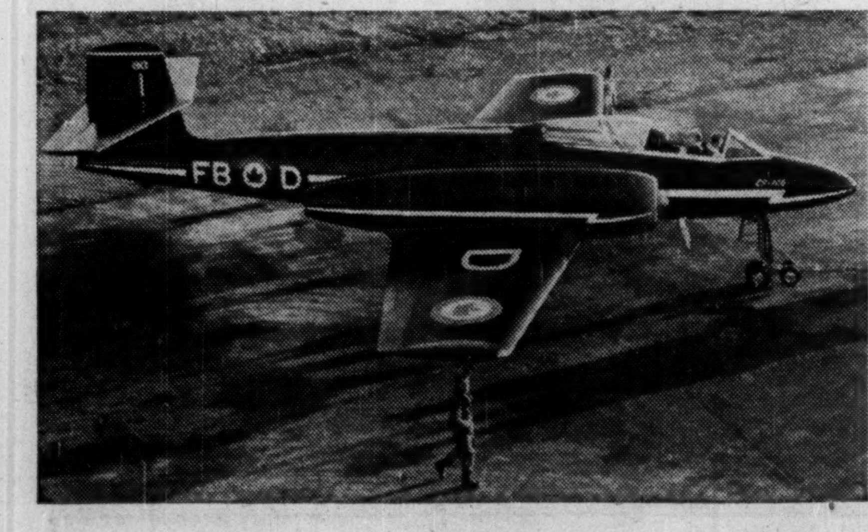
A. Well I think I might wrap it up by saying that we have been very greatly surprised; we didn't expect to get the quality that we have got. We've taken a lot of people in that knew little or nothing about aircraft but they were basically engineers and we brought a few men from England to lead the team. It has worked out extraordinarily well. I think the operation here is 95% or 98% Canadian right now. Maybe it's higher.

Q. And this is a remarkable achievement in so short a time?

A. Oh, I think it is. I am delighted. I think it has surprised everybody at home. And I think it has also surprised a lot of people in Canada too.

The Jetliner . . . 50 Passengers, 460 mph

The Jetfighter . . . Long-range, All-weather



Your Personal Income Tax

Tax Changes Which May Affect You

Good Records Will Help if Government Questions Income

By D. G. MACLEAN

Postwar changes in the personal tax sections of the Income Tax Act affect every Canadian taxpayer. Exemptions are changed; regulations clarified, method of appeals simplified. The Financial Post presents here the first in a series discussing the act, pointing out the changes and their effect in typical cases.

One of the most important things a taxpayer can do is keep a record of his personal income for the year.

If you are employed and on a salary or wages, your employer will give you a slip showing how much he paid you and how much income tax was deducted at the Source.

But, if you have any other sources of income, and many people have, how are you going to know how much your total income was? You may have some stocks or bonds or you may do an extra piece of work for somebody besides your employer. All that must be reported as income. Unless your memory is exceptionally good, you won't remember everything. Chances are you'll be more likely to underestimate than over estimate your extra income. Best way to be sure is to keep books showing your income.

If you are a professional man and derive your income from fees, as a doctor, lawyer, surveyor, etc., or if you have your own business, you can't possibly remember everything. In any case, you run the risk of having a difference with the income tax authorities and if you do they'll ask to see your accounts.

If you are in business for yourself, it is necessary not only on your own account but because you have to be able to show not only your own earnings but also any deductions you may make from your hired assistants. Likewise if you employ a chauffeur, housekeeper or other similar help to whom you pay a taxable income (which may include meals and lodging, etc.) you should be prepared to show your accounts.

If you haven't any accounts, you can be forced to keep them and if you don't honor such a request, you're liable to a fine of from $200 to $10,000 or both fine and imprisonment.

There are cases on record where individuals who didn't keep accounts were finally assessed on estimated incomes which they claimed were far too high for that particular year.

Take the case of Mr. X. He had been earning good money before the war, but his earnings varied considerably because they came not only from salary but also from extra jobs he did. He changed jobs frequently and never turned in an income tax return.

In 1942, when the income tax really became heavy and the authorities started making deductions at the source, they found there was such a man as Mr. X. He was making about $4,000 a year then, so they started going back to see how much he owed in back taxes. Some of the years preceding 1942 his income had been a good deal less than $4,000 but because he had no accounts he couldn't prove it. The tax authorities assumed his income must have been near the 1942 level and assessed him accordingly.

Under the new income tax act, if you are a professional man or operating a business of your own, you can keep your accounts on either a cash or accrual basis. If you pay on a cash basis (and salaried people do) your salary is considered net income without deductions for expenses. If you are a professional man or a storekeeper, you calculate the value of your services rendered during the year, set up a reserve for bad and doubtful debts, deduct your expenses and pay on the balance.

There are advantages and disadvantages in the accrual system. An architect, for example, may get large fees covering the work of several years. If these are received and taxed in one year, the tax burden is heavy. Spread out over several years, it would be less burdensome. On the other hand, few professional men have access to trade and credit reports that enable them to set up adequate reserves for bad and doubtful debts.

There are also differences in the deductions a salaried person may claim and those allowed a professional man, a manufacturer or merchant running a business of his own.

Under the new act, salary or wages is considered net income and no deduction is allowed for fees paid to associations or governing bodies. Thus a doctor on a salary from say an industrial or a mining company, can't deduct expenses incurred in attending a convention. But a doctor deriving his income from fees is allowed such expenses. Likewise a storekeeper or manufacturer can deduct expenses incurred in attending say a sales conference.

New depreciation allowances are far-reaching. Because of their detail it would be wise for every taxpayer likely to claim depreciation to get a copy of the regulations.

Industrial Growth

New plants and expansion projects to boost the nation's bulk output, product diversity, jobs.

Aluminum Steps Out

Aluminum of Canada's huge plant at Arvida, Que., has a new $1 million research laboratory wing ready to embark on an expanded program of new product development and refinement of aluminum alloy techniques. It includes a pilot production and testing plant, 2 stories, 20,000 sq. ft., plus 2 story, 24,000 sq. ft. laboratory wing, plus 1 story, 5,500 sq. ft. auditorium, for a total approx. 50,000 sq. ft. Now being completed by Foundation Co. of Canada, to plans by architects Barott, Marshall, Montgomery & Merrett, the building features outside walls completely faced with aluminum extrusions, the first in Canada and one of the world's first to be so built.

* * *

Accessory

Accessory Manufacturers Ltd., Halifax, recently incorporated new company headed by D. C. Yerxa and E. D. Horne, plans "to manufacture when feasible." The company holds patents for Canada and the United States for recently invented heavy truck tire removing equipment designed by E. H. Horne, Enfield, N.S., garageman. Accessory Manufacturers reports the machine slips giant tires from their rims in seconds instead of the long, arduous job with prying handtools and heavy hammer. It was demonstrated recently at Canadian Army's Halifax ordnance depot.

* * *

Carriere Pickles

Ernest Carriere Inc., Montreal, sauces, pickles, peanut butter, plans possible early start on building an 11,500 sq. ft. $50,000 plant extension, 1 story, concrete, steel, brick, wood sash, to plans by Architect Paul G. Brassard. There will be substantial increase in production, some in employment.

* * *

Allen & Hanburys

Allen & Hanburys Co., proprietary medicines and pharmaceuticals, subsidiary of England's 230-year-old Allen & Hanburys Ltd., London, recently completed and opened a new 20,000 sq. ft., $250,000 plant in Toronto's suburban North York township near Weston. There, Toronto and former Lindsay, Ont., operations are consolidated, with about 50 workers. Consumer products include penicillin chewing gum, malt extract, baby foods and a wide range of adult food supplement pharmaceuticals.

* * *

Canadian Admiral

Subsidiary of Chicago's big Admiral Corp., headed by Ross Siragusa, Canadian Admiral, Malton, near Toronto, only a year ago greatly expanded production of radio-phonograph and frequency modulation radio sets. Moving from another Toronto district centre, it leased 30,000 sq. ft. in a former Malton war plant (double its earlier space); pushed its payroll toward a 200-worker mark; announced plans to make television sets. Last week, Siragusa visited his Canadian plant; okayed plans for major expansion looking toward large-scale production of Admiral television sets, and which he intimated might require half again as much working space as the company now occupies at Malton.

* * *

Allcock, Laight

Allcock, Laight & Westwood of Toronto Ltd., with store and plant in Toronto and suburban Leaside making fishing tackle, rods, bait (and retailing a general line of sporting goods), has building well advanced in Leaside of an extension for adding warehouse and office space, about 15,000 sq. ft., part 2 stories, steel, concrete block and brick; architect Harry B. Kohl; contractor C. H. Trelford. The extension will release plant space now used for storage, thus provides indirectly for increased production.

* * *

Crutcher, Rolfs

Crutcher, Rolfs & Cummings Inc., Houston, Tex., pipeline construction equipment and supplies, is considering establishment of a branch assembly and manufacturing plant in Edmonton. Visiting that city recently, the firm's J. D. Cummings and A. S. Crutcher said they will place orders soon with Edmonton manufacturers for interim production. If and when a branch plant is established, it would involve a minimum outlay of $100,000 they intimated. First customers, it is expected, will be contractors on Interprovincial Pipe Line's 1,150-mile Alberta-Wisconsin duct. CRC makes coating and wrapping machines, ditching and other equipment.

* * *

Johnson Foods

Arthur Johnson & Sons Ltd., newly formed all-Canadian company, has leased one-story building in Swansea (Toronto area) for immediate production of dehydrated soups (war-developed) and other food products for national distribution. When full production is reached in the next few weeks, employment will exceed 30, President A. G. Johnson estimates.

* * *

Dunlop Tire

Increased employment will result from a general and progressive plant improvement program and expansion policy for the central works in Toronto of Dunlop Tire & Rubber Goods Co. So Dunlop President James I. Simpson told employee-members of the company's Twenty-five Year Club last week. He introduced David B. Collett, recently appointed vice-president & general manager.

* * *

Brunner, Mond

Brunner, Mond Canada Ltd., Montreal (salt, soda ash, modified sodas and alkalies, calcium chloride, crushed and fluxing stone), will spend more than $1 million to expand output of calcium chloride at Amherstburg, Ont., acording to B. W. Hoag, plant manager. Principal Canadian use of calcium chloride is on roads and streets, for ice removal and gravel consolidation, in which fields Brunner, Mond reports demand rising. Working plans are ready and contract awards pending for building and machinery, it is stated.

* * *

Sun Publishing

Construction is being started this week of a new mechanical building for the Vancouver Sun (Sun Publishing Co.) at Georgia and Beattie Streets; engineers Morton Pereira & Associates, Chicago; associate architect C. B. K. VanNorman; contractor Commonwealth Construction. Completion is expected by mid-June. Plant and equipment will cost over $1 million, housing the paper's new 14-unit high-speed Scott press, stereo dept. and mailing room. Editorial and business offices, composing rooms and other departments will remain in the Sun Tower, 500 Beatty, about two blocks north of the new location. Eventually, all departments will be housed at the new site. Move is necessitated by rapid growth of the paper.

* * *

Hudon & Orsali

Hudon & Orsali Ltée, Montreal wholesale grocer, recently began building a $400,000 new warehouse and offices there, part 2 stories, reinforced concrete frame, block and brick walls, aluminum and steel sash; architects Morin & Cinq Mars; contractor Foundation Co. of Canada.

* * *

National Bag

National Bag Co., Montreal, has plans from Architect Reuben Fisher and tenders from several contractors for possible early building of new factory and offices, one story and basement, irregular dimensions on space about 90 ft. by 100 ft., reinforced concrete frame, concrete block and brick walls. National Bag's present headquarters: 3476 Park Ave.; proposed site: VanHorne at Waverley.

* * *

Steel Kitchen

Steel Kitchen Equipment Co., Toronto, refrigerators, etc., is completing construction on 4 acres in suburban Etobicoke township of a one-story factory and office, about 45,000 sq. ft., $175,000, steel, clay tile and brick; architect Jacob I. Brenzel; contractor N. De Sante. Site was bought a year ago. New plant provides for 100% expansion in output of domestic refrigerators, all-steel kitchen cabinets and new lines still under development.

* * *

Longueuil Meat

Longueuil Meat Exporting Co., St. Lambert, near Montreal, plans spring start on construction at about $80,000 of an extension to its plant, two stories and basement, about 12,000 sq. ft., reinforced concrete, structural steel, concrete block and brick; architect R. G. Heughan; contractor Gaston Lacroix.

* * *

Pollock Buttons

Pollock Bros. & Co., Montreal, buttons, with plants at Ste. Therese and Waterloo, Que., which in 1948 bought about 180,000 sq. ft. of land in Montreal's King's Park development, is nearing decision on whether or not to build a new plant there this spring.

* * *

Shipping Containers

Shipping Containers Ltd., Montreal, has plans from Architect A. Leslie Perry for possible early building of a new plant in suburban St. Laurent. Shipping Containers expanded its in-city plant in 1947 at about $15,000 but needs more room to grow. Not long ago it negotiated through Realtor Paul Demers for between 600,000 and 700,000 sq. ft. of St. Laurent land, on which tentative plans called for a one-story plant and office covering about 100,000 sq. ft.

* * *

Sharp & Dohme

Sharp & Dohme (Canada), Toronto, subsidiary of Philadelphia's Sharp & Dohme, recently completed building and next week will open in suburban East York township a new one-story, 20,000 sq. ft., $400,000 laboratory-type plant to make pharmaceuticals, prescription drugs and biological products. S & D has been producing in Toronto for 10 years. Architects are Mathers & Haldenby; contractor Dickie Construction Co.

* * *

Lethbridge Sash

Lethbridge, Alta., Sash & Door Co., has under construction a substantial plant extension, one-story, about 3,200 sq. ft., cinder-concrete block and brick; architects Meech, Mitchell & Meech; contractor Oland Construction Co.

Canadye Corp. Handles Hilton-Davis Chemicals

Canadye Corp., Hamilton, Ont., has been appointed exclusive Canadian representatives of Hilton-Davis Chemical division of Sterling Drug, Inc., Cincinnati, for all its dyestuffs and intermediates used in the textile, paper and leather industries.

There is a growing market in the Dominion for Hilton-Davis basic dyes, acid dyes, naphthols, fast bases, and fast color salts, Nelson S. Knaggs, vice-president in charge of sales for Hilton-Davis says. Canadye Corp. is a division of French Dyestuffs Ltd. To provide speedy service to customers, stocks of Hilton-Davis products will be carried at strategic points throughout Canada and technical services will be rendered from the Canadye application laboratory in Hamilton, Ont.

French Dyestuffs Ltd., will continue to represent the Societe Saint-Denis and Establissements Kuhlmann, both of Paris, France, manufacturers of agricultural and industrial chemicals, but will no longer represent the combined dyestuffs producers of France operating under Government control.

STANDARD PAVING & MATERIALS: An additional 500 shares of preferred stock have been surrendered for conversion into 1,000 common, reducing number of preferred outstanding to 47,752 and increasing outstanding common to

TRADERS FINANCE CORP. An additional $136,000 debentures have been converted into 6,800 class "A" shares, making a total conversion of $1,144,500 debentures into 57,225 class "A" common. There are now 167,397 class "A" common shares outstanding.

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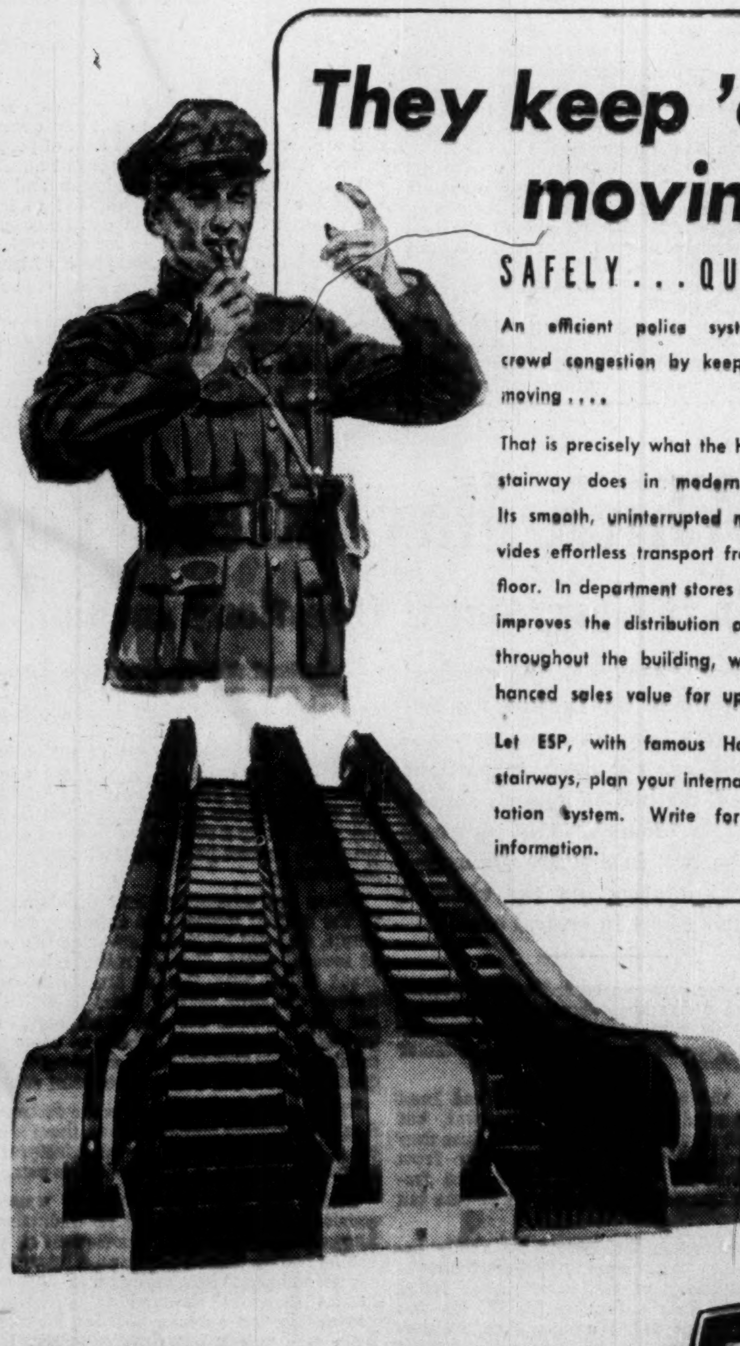
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EXECUTORS AND TRUSTEES FOR HALF A CENTURY

Robert P. Jellett becomes Chairman of the Board on Fiftieth Anniversary of The Royal Trust Company, Ross Clarkson elected President, and J. Pembroke appointed General Manager.

ROBERT P. JELLETT
Chairman of the Board

50th ANNUAL REPORT
for the year 1949

Figures show Earnings and Expenses at record high and Assets Under Administration for first time over one billion dollars.

EARNINGS	$4,208,000
EXPENSES	3,412,000
PROFIT	796,000
TAXES	273,000
NET PROFIT	523,000
DIVIDENDS	400,000

CAPITAL, RESERVE AND SURPLUS
$8,133,000

ASSETS UNDER ADMINISTRATION
$1,002,000,000

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*ROBERT P. JELLETT
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*ROSS CLARKSON
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*JAMES A. ECCLES
*B. C. GARDNER, M.C.
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Guaranty Trust Appointment

P. MICHAEL DEWAN, B.A., B.S.A.

Prominent agriculturist, whose appointment to the Toronto Advisory Board of Guaranty Trust Company of Canada is announced by J. Wilson Berry, President. Mr. Dewan was formerly Minister of Agriculture for the Province of Ontario.*

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LONDON CALLING—*By Adelphi*

Lots of Humor, Heckling But Little Drama To Be Found in Election Battle in Britain

LONDON — A good reporter should be able to make anything exciting but he would be hard put to it to increase your pulse-beat with dramatic descriptions of Britain's general election. In fact, everybody will be glad when the confounded thing is over and the people can turn their ingenuity to finding the winner of the Grand National.

The trouble is that neither side has anything new to say, and even Aneurin Bevan can hardly find any happy phrase to beat his earlier successes such as "I regard the Tories as lower than vermin" and "the British press is the most prostituted in the world."

Incidentally Bevan is very angry when a heckler mentions vermin. He has now fallen back on the old device of claiming that the word was taken out of its context. But who cares what the context was. Vermin are vermin and that's that.

However, the ebullient Conservative spokesman, Brendan Bracken, rose to a new height when he likened Bevan to a drainage pipe. It was generally felt that he had out-Bevaned Bevan for once.

A back-bench Tory raised a cheer when he said: "I regard the Socialists as a lot of spavined selling platers who have no right to enter a classic race," and then described the Liberal Party as "a pantomime horse with Clem Davies as the front legs and Frank Byers as the behind." Then he added dryly: "No wonder Socialists and Liberals talk of forming a stable Government."

* * *

Just About the Same As in Pickwick's Day

This is what the public like. Britain has not changed much from the days of the Eatansville by-election immortalized in "Pickwick Papers." Thus everyone in the audience was pleased when a Socialist speaker decried Churchill's record and there ensued the following crisp dialogue:

Heckler: He won the war didn't he?

Speaker: I believe he was helped a bit by a few others.

I also give honorable mention to a young D.S.O. Tory who was advising his audience not to vote Liberal:

Heckler: You're afraid of the Liberals that's wot you are.

Candidate: Do you blame me? I was once kicked by a canary and will never forget it.

* * *

Cripps Can't Take It On the Hustings

Sir Stafford Cripps is not very good on the hustings. In court and in Parliament, as well as in the pulpit, he is accustomed to holding forth pontifically without interruption. But the other night there was a woman heckler who would not desist in her shrill interruptions. Finally Saint Cripps could stand it no longer and shouted: "Oh do shut up!" The audience took a low view of that and expressed its feelings in the usual manner.

But the most astonishing thing so far has been the unbelievable vitality of Old Man Churchill. Traveling from one place to another, making an entirely different one-hour speech every day or twice a day his spirits and strength seem to grow every hour.

At Plymouth he had his audience howling with delight as he mocked Cripps' jargon of "overspill," "disinflation," "overall," "quantifying" and his new definition of a house as an "occupational unit." Whereupon Winston burst into a most unmusical rendition of:

"Be it ever so humble
There's no place like an occupational unit."

I am quite aware of the fact that Mr. St. Laurent did none of these things and was extremely successful at the polls, but Churchill is Churchill and Britain is Britain. To the people here an election is something which may decide their fate but they want some fun out of it just the same.

Mr. Attlee is only second to Churchill in physical stamina. With his wife as chauffeuse he is driving across the country speaking two or three times a day and being very well received.

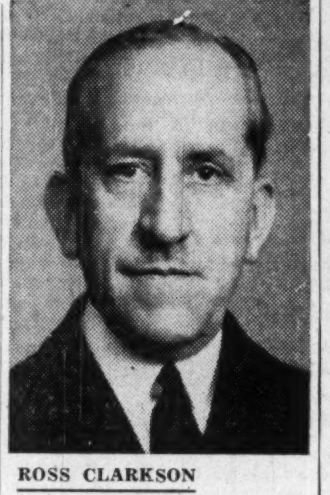
* * *

Liberal Case Is Blown Sky-High

In the meantime the Liberals get angrier and angrier at the reported suggestions that they have no right to be running at all and are splitting the anti-Socialist vote. In a letter to the press the Liberal Party Chairman pointed out the unfairness of our political system, since in 1945 it took 45,000 votes to return one Tory M.P., 35,000 for a Socialist and 168,000 for a Liberal.

This looked very unfair on paper but in no time the letters poured in from the Tories and blew the Liberal case sky high. "Supposing," wrote one, "that Communists ran 600 candidates and secured a contemptible and utterly negligible vote of 500 in each constituency. In that case it would have taken 300,000 votes to return no Communist at all which is exactly what the electorate intended. Therefore when it takes 168,000 to return one Liberal it shows that the Liberal Party is no longer a practical political instrument."

This caused great grief among the Liberals who could think of no reply.



ROSS CLARKSON

has been elected president, Royal Trust Co.

* * *

Beaverbrook "Backing Jockey, Against Horse"

Lord Beaverbrook arrived in good form from Jamaica, and the Daily Express celebrated the event by extolling Churchill and giving the Tory Party a kick in the pants. So once more we heard the comment that Max was backing the jockey but betting against the horse.

The general opinion is that the Conservatives are doing fairly well but there is an uncomfortable feeling that the Socialists will be returned. Even to the British the cry of "security" is sometimes more alluring than the cry of "Liberty." The Socialists continue to describe prewar Britain as a place where the children starved and went barefoot, where the bosses deliberately organized unemployment and where the Tories lay down and let the dictators walk over them.

There are a lot of very good, patriotic Socialists but this is not a bad imitation of the Goebbels' technique. The bigger the lie the more it is believed. The trouble is that by repetition even honest men believe a lie to be the truth.

* * *

To end on a cultural note I must record that the Stratford-upon-Avon Players have returned from a most successful tour of Australia where they have actually convinced the Diggers that Shakespeare is great fun and very exciting.

I hope that they will tour Canada soon for they are a goodly company and the standard of the Memorial Theatre at Stratford is rising all the time. Experts say that there is a considerable Shakespeare public in Canada but that the Bard is regarded as poison by the younger generation.

I do not know whether this is true or not. In fact, looking over what I have written today, I do not seem to know much about anything.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

FOREIGN POWER SECURITIES CORP. showed a net profit of $35,368 for the year ending Oct. 31, 1949 compared with a net loss of $98,225 for the same period in 1948.

During the year, $1,684,500 first collateral trust bonds became due. Bondholders agreed to accept payment of 50% of the principal amount, balance to become due June 1, 1954. Deferred to this date also was payment of all accrued, unpaid bond interest which, at Oct. 31, 1949 amounted to $1,264,470. Interest at 6% on the unpaid principal amount and on the unpaid interest from the date on which it was due shall also be paid not later than June 1, 1954. No interest has been paid on the bonds since Dec. 1, 1939.

No dividends have been paid on the preferred stock since 1932 and arrears amounted to $105 per share at Oct. 31, 1949.

The French securities of the company, carried on the books at $7,320,087, are of companies engaged principally in the production and distribution of electricity and gas, industries which were nationalized in 1946. Compensation for the net assets taken over was to be by the issue of 3% Participating Bonds by "Caisse Nationale de l'Energie."

The exact amount of the compensation has not yet been calculated. The auditors state, however, that the bonds receivable before allowing for retained assets, converted at Oct. 31, 1949, rates of exchange, are considerably less than the book value of the shares held.

Pending the issue of the new bonds, "Caisse Nationale de l'Energie" is making distributions on account of the interest on them and this interest is included in the company's revenue statement.

Agreements have been concluded by the French authorities with Belgian and Swiss shareholders in which provision is made for the calculation of compensation at a fixed rate of exchange to offset the effect of the devaluation of the franc and for the export of interest only, and negotiations are currently under way for the Canadian shareholders.

Market value of Canadian securities, carried on the books at $968,693, was $495,294 at Oct. 31, 1949.

INCOME ACCOUNT

Years Ended Oct. 31:	1949	1948
Net earnings	$139,385	$14,488
Less: Bond int.	80,018	101,070
Int. on accr. int.	24,004	......
French cap. tax	......	11,643
Net prof. & surp.	35,368	a98,225
Times Int. Earned	1.34	0.14

aLoss and deficit.

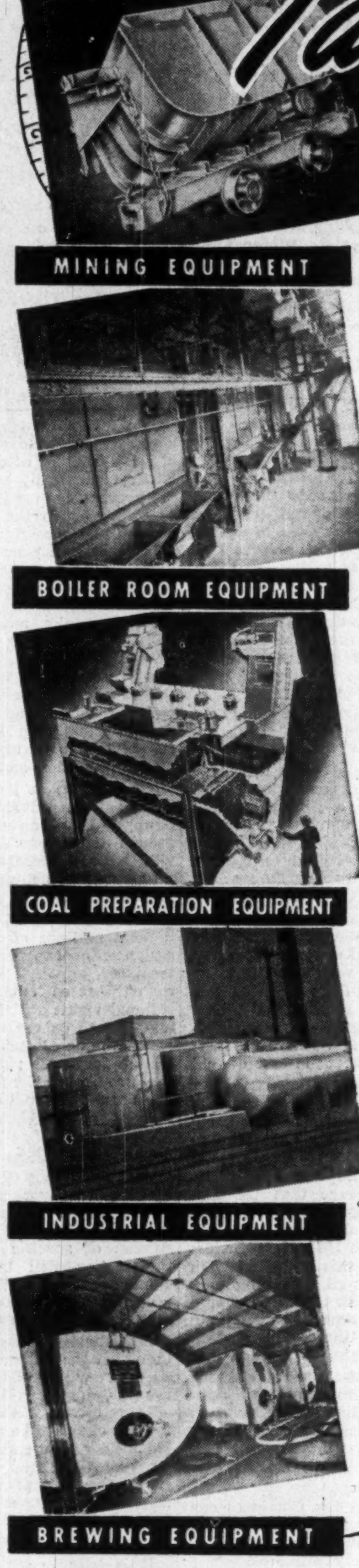
Earnings per Share and Dividend Record:		
Pref.: Earned	$0.71	d$1.96
Common	d2.12	d3.19

None paid on either class of stock.

CONDENSED BALANCE SHEET

As at Oct. 31:	1949	1948
Cash	$29,065	$2,478
Invests. at cost†	8,301,895	8,970,490
Misc. assets	20,800	21,498
Deficit	359,025	106,763
Total assets	8,710,785	9,101,229
Bond int. accr.	1,264,470	901,207
Bonds red.	79,500	......
Accts. pay. & accr.	24,565	15,522
Total curr. liab.	1,368,535	916,729
Funded debt	842,250	1,684,500
Capital stock	6,500,000	6,500,000
†Mkt. value	2,327,458	2,599,615

CONSOLIDATED DUQUESNE MINING CO. has received payment for Feb. 4 installment of 50,000 shares at 55 cents a share under agreement with David Agency Ltd. Issued capital is 2,732,971 shares, leaving 767,029 in the treasury.



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Will Supreme Court Assume U.S. Role?

Here Are Problems It Faces Dealing With Constitutional Issues

Should changes in law-making powers of the Federal Government and the provinces come through processes of amendment or through the Supreme Court? Will the court follow in the footsteps of the Privy Council? Will it assume a role similar to that of the Supreme Court in U. S.?

An expert on constitutional law discusses these questions in the accompanying article—the second of two specially written for The Financial Post dealing with the balance in federal-provincial relations which has evolved over the last 80 years,

By BORA LASKIN

(Professor of law, University of Toronto law school; writer on constitutional law for Canadian Bar Review)

While the discussion so far has been concerned with the relation of amendment to the legislative authority of the Dominion and provinces, it must not be forgotten that the B.N.A. Act deals quite fully with the structural side of the constitution—the make-up and operation of the organs of government through which executive and legislative powers are exercised. Until recently, the act exhibited a marked difference in its provisions respecting the Dominion and the provincial governmental institutions.

On the one hand, the Dominion could not alter representation in the Senate or House of Commons nor even extend the duration of Parliament beyond the five-year limit prescribed by the B.N.A. Act, without seeking an amendment through the British Parliament.

On the other hand, the provinces, by the very terms of section 92 of the act, were given power to amend "the constitution of the province except as regards the office of Lieutenant-Governor." This authority has been both interpreted and applied to enable a province to abolish second chambers (i.e. legislative councils similar to the Canadian Senate—only the province of Quebec has retained a second chamber), to alter representation in its legislative assembly, to extend the duration of the assembly's sittings—all this by a simple provincial statute—so long as there was no interference with the legislative functions of the Lieutenant-Governor as representative of His Majesty the King.

If the provinces have this power to alter as they see fit the structure and operation of their organs of government, why should not the Dominion have a similar power? The Government of Canada last year took the position that the Dominion should have a similar power, and accordingly a request was forwarded to the British Parliament for an amendment of the B.N.A. Act.

The amendment was made with certain limitations suggested by the Dominion. These excluded from the federal power so acquired any right to tamper with the existing guarantees in the B.N.A. Act respecting language and school rights, and also preserved the requirement of an annual session of Parliament and of a general election at least once every five years (except in case of real or apprehended war).

Objection was taken at the Conference to the making of this amendment, particularly in so far as it authorized the Dominion to alter unilaterally representation in the House of Commons. The Prime Minister rightly told the conference that the Dominion had merely secured a power which they have enjoyed in relation to their organs of government since 1867. Nevertheless he agreed to withdraw this amendment in the interests of an over-all amending procedure but he made it clear that there would be no repeal of the amendment if a complete procedure for changing the B.N.A. Act in all its parts was not mutually worked out.

It is fairly obvious that the considerations which make it unwise to permit the Dominion acting alone to alter the distribution of legislative power do not exist where the question concerns changes in the structure and operation of Dominion organs of government.

Perhaps the only point the provinces can sensibly put forward is that whatever changes are made should apply without discrimination against any province.

The concern of the provinces in the organization of the Senate and House of Commons is understandable, but it is difficult to see why the provinces, already having superior law-making powers, should also have a veto over changes in organization of Dominion institutions of government.

That the whole is merely the sum of its parts may be good mathematics, but it is hardly a principle of Canadian federalism. If one is to be strictly legal, no foundation for the principle appears in the B.N.A. Act. Nor can it be proved by an appeal to history. As a matter of fact, the appeal to history in relation to any constitutional question becomes more and more futile as the time of establishment of the constitution recedes. History can hardly be useful if it is a means of preventing constitutional development, especially as in the case of Canada which began life as a colony and has moved steadily to national independence.

Suggestions for Amendments

The Dominion made no specific proposals at the Conference on how amendments should be effected. Instead it invited and received proposals from the provinces. The thinking of the provinces is reflected in the elaborate amending scheme suggested in a report brought in by a Conference committee composed of the Attorneys-General of the Dominion and the provinces.

The scheme in its essentials is not new, having been advanced in 1935. It contemplates division of the B.N.A. Act into groups of sections for each of which there will be a different amending procedure, ranging in strictness from action by the Dominion alone to unanimity of Dominion and provinces.

What sections of the B.N.A. Act will be assigned to each group was not wholly determined, although it is fairly definite that such things as language, religious and educational rights will be "entrenched" against any change except through unanimous consent. No one can take objection to such protection for these rights. But the nature of the provincial Conference statements suggests that they will seek to protect all their present powers behind a rigid amending procedure.

The adjournment of the Conference to permit the details of the suggested amending scheme to be worked out by the same committee which proposed it, postpones to a later occasion any likelihood of direct discussion of specific amendments. How far the matter will be pressed depends, of course, on how anxious the Dominion is to complete the transfer to Canada of all responsibility for the Canadian constitution.

Realistically, little more can be expected than that the scheme for amendment finally adopted will reflect the status quo in Dominion-provincial relations. If the tone of the recent Conference is symptomatic (and it ought to be noted that the provinces did most of the speaking and the Dominion most of the listening), it is the Dominion rather than the provinces that may have to resist encroachment on existing powers.

The Influence of Politics

It is trite to say that federalism means legalism—the relations of Dominion and province cannot entirely be a matter of political expediency or depend wholly on practices or understandings which may be changed whenever they are inconvenient.

The relations must, by and large, be defined in terms of legal rights and obligations, and this is what has been done in the B.N.A. Act. The most important of the legal rights are those which set out what laws may be passed by the Dominion and what by the provinces. If we assume that the original list of law-making powers provided a balance between national and local needs, it is difficult to argue for a scheme of amendment which will make it easy to upset that balance.

If, however, national and local needs can no longer be judged from the standpoint of what they were in 1867, perhaps amendment should be facilitated rather than to rely on the courts to keep the old constitution in step with changing circumstances. Practically, it can hardly be expected that any province would look with favor upon a reduction of its authority and the same attitude can be expected of the Dominion. It would be immaterial to the displeasure of either of them whether that reduction be accomplished by an outright amendment or by a change of interpretation by the courts.

Amendment, however, cannot be easily divorced from political factors, and these may make it impossible for an amendment to be put through. A change resulting from a reversal of opinion by the courts must be accepted, however reluctantly, so long as the courts remain in the commanding position which they now occupy. Yet the constitutional change made in 1940 with respect to "unemployment insurance" shows that amendment (even through unanimous consent) is possible.

Of course, this was an amendment limited to a single objective and can hardly be taken as a precedent for provincial consent to other amendments, whether general or specific. It raises, however, the deeper issue whether constitutional interpretation has run its course and whether the content of Dominion and provincial heads of power has become so fixed that we must look to amendment and not to judicial action as the agency of change. No absolutely affirmative answer can be given because even the Privy Council's decisions have shown occasional departures from earlier views, even if they have not resulted in any outright change of opinion.

Old Constitution — New Meaning

The creative function of courts is equal to the task of adapting grants of legislative power to changes in social and economic conditions. The Supreme Court of the United States has clearly shown how a final court can (and perhaps must) keep infusing the old words of the constitution with new meanings. It had to do this because it became only too apparent that the amending process in the American constitution was too difficult to use for the purpose of introducing changes in the grants of law-making power.

There is no particular reason for believing that the situation will be any different in Canada. We should become reconciled to the fact that only on a rare occasion will changes in legislative power be effected through amendment. It is perhaps well to add that an easy amending procedure in this respect could make a mockery of our federal system and would amount to an appeal as of right from decisions of the Supreme Court. Contrasted with the law-making powers, the formal or structural side of the constitution is of secondary importance. Flexibility here, guaranteed by an easy amending procedure, is eminently sensible, the more so when the matters involved are not capable of being redefined in judicial decisions.

In sum, the Supreme Court, like the Privy Council before it, will more likely be the focus of change in Dominion and provincial law-making powers than the processes of amendment. But the Privy Council during its stewardship gave very little indication that it regarded itself as playing the part of a constitution moulder. By and large, it regarded itself as simply the interpreter of a statute, apparently ignoring the fact that the B.N.A. Act is not only a statute but also a constitution.

A prophecy on whether or not the Supreme Court will follow in the Privy Council's footsteps would be foolish speculation. If the day comes that the Supreme Court expressly overrules a decision of its own or of the Privy Council, or even distinguishes it out of existence, it will be clear beyond the need of words that our highest Court has assumed a role similar to that so long enjoyed by the Supreme Court of the United States.

$107,969,637 Net Debt All-Time High For N.B.

From Our Own Correspondent

FREDERICTON — Net debt of New Brunswick increased by $6,438,863 to an all-time high of $107,969,637, during the fiscal year ending Oct. 31, 1949. The annual surplus, on ordinary account, was $1,902,708 ($2,032,419 in previous year). The revenues at $29,453,148 and expenditures of $27,550,439 were the highest in any single year since Confederation.

The figures highlighted the annual financial statement of New Brunswick made public here last week by Hon. J. G. Boucher, provincial secretary-treasurer, in his first annual report since succeeding Senator J. J. Hayes Doone, last summer.

Some 58% of the total revenue came from two sources—$10,741,226 from Ottawa under the Federal-Provincial agreement of 1947 and $6,483,537 as profits from the N.B. Liquor Control Board. Other large contributors to revenue were the department of lands and mines for stumpage, game licenses, royalties, timber licenses and a number of other smaller items. The motor vehicle department brought in $2,398,311 in fees; $4,168,438 in the regular gasoline tax and $1,373,939 in the special gasoline tax for winter roads.

On the expenditure side it took $7,167,131 or nearly 25% of the total revenue to service the public debt. The public works department for highway, bridge and ferry maintenance, snow removal and smaller items required $5,756,411. The educational department took $3,144,547 and subsidies to the municipalities accounted for $2,055,666.

Principal contributing factors to the increase in debt were capital expenses of $7,119,579 on permanent roads; $589,479 on permanent bridges and $2,515,544 on other capital works.

Crown Life Buys Site For New Head Office

Crown Life Insurance Co. has purchased a site for a new head office on the northwest corner of Bloor and Church Streets in Toronto, extending to the corner of Bloor and Park Road. Amount involved in the entire transaction will be over $3 millions, states H. R. Stephenson, managing director.

Present head office, occupied for 37 years, is at the corner of Yonge and Colborne Streets in Toronto. In addition the head office occupies three other buildings. Construction of the new head office is not expected to start in the immediate future.

The Crown Life, now in its 50th year, has almost $700 millions of life insurance in force.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CLAUDE NEON GENERAL ADVERTISING LTD. net profit of $22,685 for 1949 showed a sharp increase over the 1948 figure of $5,090 due principally to reductions in depreciation charges and bond interest.

The payment by the subsidiary E. L. Ruddy Co. of $161,700 on account of preferred share dividend arrears made it necessary for them to temporarily curtail their expansion program and thereby reduced their potential earnings. Directors regarded this action as being in the best interest of the company as it enabled them to pay off its short-term indebtedness on a most favorable basis.

Combining offices with the shop premises in the same building has proved advantageous from an operating standpoint.

During the year the company gave effect to the plan of reorganization which was approved by the bondholders and by a very large majority of the shareholders.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$133,760	$104,581
Less: Deprec.	30,708	64,682
Bad debts	4,435	......
Office exp.	29,189	......
Bond interest	7,272	11,603
Moving exp.	......	20,234
Income taxes	39,471	2,972
Net profit & surplus for year	22,685	5,090
Times Bond Interest Earned:		
After depr.	14.17	3.44
Earnings per Share and Dividend Record:		
Pref. (new)	$0.96	($0.22)
Class A	†d3.64	(†d4.05)
Class B	†d0.70	(†d0.77)
Pref. (old)	....	0.22
Common (old)	....	d0.38

†Before participation.

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$11,370	$81,996
Accts. rec.	100,421	82,118
Inventories	69,546	79,110
Total curr. assets	181,337	243,224
Invest. in subsid.	1,496,768	994,132
Misc. assets	124,828	185,608
Goodwill	500,000	......
Fixed assets*	230,143	228,257
Total assets	2,533,076	1,651,221
Accts. & tax. pay.	121,729	104,588
Accr. bond int.	......	233,124
Total curr. liab.	121,729	337,712
Reserves	39,315	25,000
Funded debt	1,180,250	178,500
Capital stock	1,184,495	2,785,094
Earned surplus	‡7,287	▲1,695,085
*After depr. of	720,434	633,538

▲Deficit.

‡After crediting $502,637 re write-up of invest., $420,349 adjust. re stock conversion, and $766,958 adj. re goodwill, and deducting $266,958 goodwill w/d and $10,580 reorganization expenses written off.

	1949	1948
Working capital	59,608	■114,488

■Excess of curr. liab. over current assets.

DESTORADA MINES reports the staking of two groups of claims tying on to Lake Surprise Mines in the Lake Surprise section of Chibougamau. The two groups adjoin Lake Surprise Mines to the east and west on strike and gold finds are stated to have been noted on each. Consideration is now being given to a program of diamond drilling.

Ont. Sugar Beet Acreage Expected At Capacity

Acreage contracted by Ontario farmers to be sown with sugar beets this year has amounted to over 30,000 acres in the first 20 days the contracts were offered. This is already up to last year's harvested acreage, Canada & Dominion Sugar Co. announces. Many growers have still to be approached by company field men. Capacity acreage is expected to be signed.

The price scale for the 1950 crop of sugar beets is the same as in 1949, it was stated.

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INCOME TAX

Depreciation and Oil Co.'s

Can a shareholder in oil refining companies claim an allowance on his income tax for depreciation in the production end of the oil business under the recently published regulations governing this point.

Shareholders of such oil refining companies as Imperial Oil, British American Oil, McColl-Frontenac and Shell Oil can claim allowance on income tax for depreciation only when the revenue of these companies from oil production is more than 25% of total revenue. Such a situation, of course, has not occurred yet. It may not be long, however, before this condition applies to at least Imperial Oil. Amount of depletion allowance varies with proportion of earnings over 25% that comes from production.

Medical Expenses

My mother died Dec. 30, 1949, after a long illness. Her medical expenses in 1949 were about $6,000 while her income was under $5,000. How much can we deduct for medical expenses when making up her income tax return?

You are allowed excessive medical expenses over 4% of her income up to $750, as a single person. We presume she was a widow. If she was over 65 she would also be allowed an extra $500 exemption in addition to the regular $1,000 exemption allowed a single person in 1949.

INVESTMENTS

Algoma Central Rly.

What are the chances of interest being paid on the Algoma Central & Hudson Bay Railway Co.'s 5% bonds due 1959? How did the company do in 1949?

Algoma Central & Hudson Bay Railway Co. 5% bonds due in 1959 are currently selling around $90 per $100 bond.

The prospect of interest payments now being resumed on the first mortgage bonds of Algoma Central & Hudson Bay Railway Co. would appear to be good. As you know, under the 1941 Interest Arrears Plan, no interest or arrears of interest on the bonds of the railway company were to be paid until all the bonds and stock of Algoma Central Terminals, Ltd. were redeemed. As the last of the Terminals' securities was redeemed on December 31, 1949, it seems reasonable to assume that the company should start paying interest on the railway bonds sometime in 1950. Interest is accrued and unpaid on the railway bonds from Dec. 30, 1930.

Net earnings of the railway company in 1948 amounted to $628,082 or more than sufficient to cover a year's interest on the bonds which amounted to $515,425.

There has been no money set aside as such for payment of interest arrears during the past few years but the bond interest has been charged to the income account in each year and the accrued bond interest is shown as a current liability in the company's statements.

Until net earnings of the company for three consecutive years have been sufficient to pay the current bond interest, interest is only payable to the extent that it is earned, but such interest is cumulative; after net earnings have been certified to have fulfilled the above conditions, interest in full will then be payable, and any arrears previously incurred will also be payable prior to the payment of any dividends on the capital stock of the company.

It would seem reasonable to expect that the company's business in 1949 should have been at least as good as in 1948. It would also have the benefit of the 21% increase in freight rates granted effective April 8, 1948, for the whole year 1949 and would have the advantage of the further 8% increase granted in September, 1949. If a further freight rate increase is granted as a result of the hearings this year the company will also benefit from it. Against this, operating costs would likely be higher. What the net effect on earnings was will not be known until the annual report appears.

Anglo-Canadian Oil

Please give me a brief description of the prospects and conversion conditions of Anglo-Canadian Oil Co. 4% debentures.

The new issue of $4 millions of Series A 4% convertible debentures of Anglo-Canadian Oil Company appear to have attracted interest more from the possibilities of capital appreciation through conversion into common stock than through the 4% interest rate which, incidentally, has been well covered by operating earnings for many years.

Debentures are convertible, currently, into common shares on the basis of 19 shares of stock for each $100 principal amount of debentures with this particular conversion privilege extending to November 1, 1951. This means that Anglo-Canadian shares must sell over $5.26 a share for conversion to become profitable.

At the present time the conversion privilege does not have any special value. But the company has now raised $4 millions of new finances and it is quite conceivable that speculative interest in the company's shares may be enhanced if important new productive acreage is acquired. We presume that the company will be bidding on the fine new acreage being made available by the Government of Alberta and interest will no doubt be greater if the company is a successful bidder at the next auction which takes place on February 16.

In the nine months ended August 31, 1949, total income amounted to $873,273 compared with $638,217 for the year ended December 31, 1948. Net profit after provision for depreciation and amortization of cost of producing wells and royalties amounted to $523,538 for the first nine months of 1949, equal to 22c a share compared with $456,648 or 19c per share for the full year of 1948.

Balance sheet as at August 31, 1949, showed current assets of $1,619,078 against current liabilities of $900,084 including bank loans of $600,000.

ROBERT P. JELLETT

has been elected chairman of the board, Royal Trust Co.

Edmonton First to Install Robot Long Distance Phone

From Our Own Correspondent

EDMONTON—First fully automatic long-distance toll switchboard in Canada, and one of the first in the world, will be in operation at the Alberta Government Telephones building here by midsummer. Installation of the board has begun, but it is a large-scale technical job that will take at least six months. The equipment is of British design and manufacture.

The new switchboard will simplify long-distance calls by making it unnecessary to call an operator in any city which is similarly equipped. So far, such cities are few and mostly in United States and Britain.

The operator here punches a keyboard with the prefix code of the called city and the number being called. Instantly the automatic board selects an idle line and automatically routes the call directly to the receiving telephone.

The mechanism makes selections at the rate of 200 a second. If all the lines on one circuit are in use, the machine tests lines on other circuits. It will recheck the first circuit and indicate to the operator when a line will be free.

Incoming calls handled through the automatic board will be routed directly from the originating point to the local subscriber, without being handled by an Edmonton operator.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

WINDSOR HOTEL LTD. (Montreal) 1949 net profit was off substantially at $12,291 as compared with $42,137. Profits were off due to continued rising costs of payrolls, supplies and commodities, the annual report stated. Renovation and modernization program was proceeded with and a number of important changes made. The program will be intensified this year.

The last two of four passenger elevators have been replaced with high-speed cars. Replacement of one of the hotel's boilers by a new one equipped for oil burning was completed and is now in full operation. Installation of air-conditioning equipment in certain of the public rooms should be completed within the next few months.

The third installment of $100,000 of the company's serial bonds was paid, reducing amount outstanding to $300,000.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$295,291	$323,634
Less: Deprec.	260,000	240,000
Bond interest	10,000	13,750
Income taxes	13,000	27,747
Net profit & surp.	12,291	42,137
Times Bond Interest Earned:		
Before deprec.	29.53	23.54
After deprec.	3.53	6.08
Earnings per Share and Dividend Record:		
Common	$0.12	$0.43
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$383,944	$480,036
Accts. rec.	37,808	42,898
Inventories	221,384	187,563
Total curr. assets	643,136	710,497
Misc. assets	44,952	48,107
Fixed assets§	2,744,945	2,843,920
Total assets	3,433,033	3,602,524
Accts., tax., etc., pay.	125,317	143,381
Mtge. bonds due	100,000	150,000
Total curr. liab.	225,317	293,381
Funded debt	300,000	400,000
Capital stock	2,459,675	2,459,675
Surplus	448,041	449,468
§After depr. of	3,436,908	3,219,337
Working capital	417,819	417,116

ASCOT METALS CORP. reports that a 4-ft. mining width was intersected at the fifth level averaging 0.109 oz. gold, 2.48 oz. silver, 0.81% copper, 1.69% lead and 5.3% zinc. The company is now starting a two-level drifting program on the new fourth and fifth horizons. The shaft-contractor is currently completing a 40-ft. sump below the fifth level and when this has been completed, underground work will revert to the company which has placed orders for additional development equipment. Tenders have been called to supply additional mill equipment, while preliminary mill preparation is beginning at the property, it is stated. Fred E. Hall, recently appointed mine manager, is directing operations.

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In 1949 the Sun Life Assurance Company of Canada — Canada's largest life insurance company — issued new life insurance totalling $372,509,847, the largest amount written by any Canadian company during the year. Total insurance in force at December 31, 1949 amounted to $4,187,193,642, the highest in the Company's history. Income for the year was $238,835,557, while total assets increased to an all-time high of $1,527,515,783. Dividends payable to policyholders during 1950 will amount to $18 million, a substantial increase over the preceding year. The Company paid out in benefits to policyholders and beneficiaries during 1949 the sum of $114,799,174, bringing to $2,240,555,979 the total of benefits paid since the first Sun Life policy was issued in 1871.

FINANCIAL STATEMENT AS AT DECEMBER 31, 1949

ASSETS

Bonds—Government, municipal, public utility and other		$1,132,518,950.33
Stocks—Preferred and guaranteed		34,566,694.85
Stocks—Common		73,893,390.15
Mortgage loans on homes, industrial plants, etc.		157,399,996.22
Real estate (including Company's buildings)		14,983,190.01
Loans to policyholders on their policies		60,578,174.23
Outstanding and deferred premiums		21,673,315.00
Interest and rents due and accrued		12,229,229.51
Cash		17,288,569.42
Other assets		2,384,273.84
		$1,527,515,783.56

LIABILITIES

Reserves on assurances	$921,984,425.00	
Reserves on annuities	283,250,460.00	$1,205,234,885.00
Policy proceeds and other amounts left at interest for future distribution to policyholders and beneficiaries		151,155,171.37
Amounts set aside for Company retirement plans		26,417,233.80
Death claims reported for which proofs had not been received prior to December 31st		8,601,094.45
Provision for unreported claims		3,957,541.00
Matured endowments, annuity and dividend payments awaiting discharge		8,829,921.37
Dividends payable to policyholders during balance of dividend year and dividends contingently allotted		6,162,310.11
Taxes, commissions, medical fees, etc., due and accrued		7,225,084.42
Miscellaneous reserves and liabilities		6,831,231.51
Accident and sickness insurance fund		260,519.18
Shareholders' account		2,505,423.03
Capital	$ 2,000,000.00	
Contingency reserve	15,000,000.00	
Surplus	83,335,368.32	
		100,335,368.32
		$1,527,515,783.56

SUN LIFE ASSURANCE COMPANY OF CANADA

Leader in world-wide life insurance, the Sun Life of Canada gives unequalled service to its 1,500,000 policyholders from branches situated in strategic key centres around the globe. IN CANADA: 44 offices . . . IN THE UNITED STATES: 50 offices . . . IN THE BRITISH ISLES: 25 offices . . . IN LATIN AMERICA: Buenos Aires, Havana, San Juan . . . IN INDIA AND CEYLON: Bombay, Calcutta, Lucknow, Madras, Colombo . . . IN SOUTH AFRICA: Cape Town, Durban, Johannesburg . . . IN: Hong Kong, Malta, Manila, Singapore, and the West Indies.

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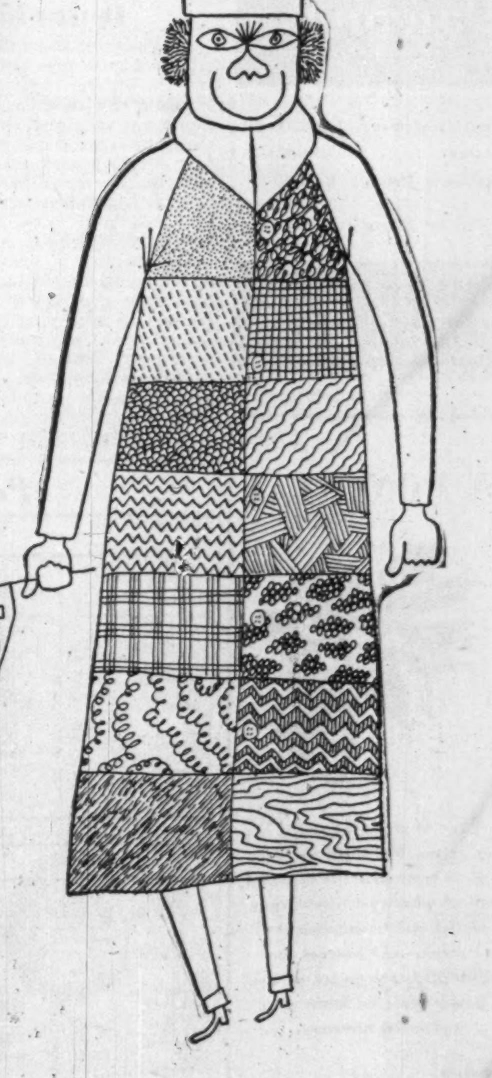

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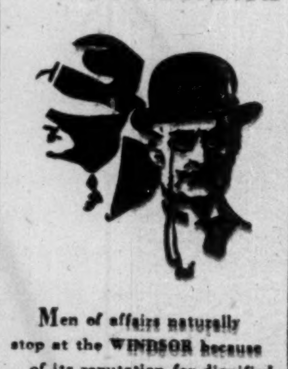

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Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

Newfoundland

Woman Heads Fishing Firm: Mrs. George Penny, widow of Senator Penny, whose death occurred last fall, has assumed presidency of Newfoundland firm, John Penny & Sons, one of the oldest fishing companies on the Southwest Coast. Company has extensive plant on Ramea, island near the mouth of White Bear Bay and produces between four million and five million pounds of fillets annually, procuring its fish by own dragger and through purchases. It also has its own distributing organization in U. S. New president will be the first woman to ever head so large a fish operation in Newfoundland.

Nova Scotia

Woe Piled On Woe: Cranberry trouble has joined apple, egg, potato and pork product woes in Nova Scotia. Growers say industry faces ruin unless federal and provincial authorities act to offset U. S. flooding of Canadian market. Maritime industry is 20 years old, had aimed at completely supplying Canadian market through costly, scientific development of cranberry bogs. Lifting of embargo on fresh fruit brought chaos, it is claimed, and sale of cheap American berries has left Canadian growers with entire crops unsold.

Prince Edward Is.

CNR to Start Bus Line? Possibility of a complete change in the method of operating the CNR on the Island is seen in recent discussions here between Provincial Government and railway officials. The idea is to operate a network of bus and motor-truck lines throughout the province, converging on Charlottetown, Summerside and the Borden ferry terminal, to speed up passenger and express services. Main difficulty is the effect it would have on franchises now held by private bus lines, both local and interprovincial.

New Brunswick

May Change Vote System: Major change in Moncton city council setup may be sought from Legislature session in March. Change calls for the election of aldermen by the entire electorate instead of by wards, with city voters casting ballots for a mayor and eight aldermen irrespective of ward boundaries. If authorized, new system would come into effect for city elections of 1951.

Quebec

Car Buyers Nipped Again: For those who planned to buy a car outside Quebec, take it back to the province and then pay a government sales tax at their convenience, disappointment looms. This year finds Provincial Sales Tax Department working in close co-operation with the license bureau (even sharing the same office) and before a license is issued a car purchaser must first pay the sales tax. Previously a person could buy a car in other provinces and get a Quebec license without difficulty. Sales Tax department would then notify the person that a certain amount was due, sit back and wait for the money.

* * *

Ontario

All-Powerful Board: Heading a group of men who say "yes" or "no" to Ontario municipalities is Windsor city solicitor, Lorne R. Cumming, appointed chairman of the Ontario Municipal Board. Job pays $9,000 a year and appointment marks reorganization which will see board membership raised to seven men with two vice-chairmen. Watchdog of finances, board operates in some 62 fields of municipal life. It has jurisdiction over everything from dog licenses to approving capital expenditures, debenture issues, assessment appeals, vehicle licenses, railways and telephone systems under provincial legislation. Toronto's annexation problem is subject to board decision.

Manitoba

CPR Tests Snow Gulper: First slated for tests in Manitoba and then shifted to Winnipeg where there's more snow, an 80-ft. snow-eating monster is now being tried out by CPR. Machine is known as a "loader and melter," with paddle wheels hurling snow on a conveyor belt which in turn dumps it into melter units mounted on a flat car. Ordinary locomotive moves the machine and also supplies steam to melt the snow as it pours off the belt. Two tanks hold total of 17,500 gallons of melted snow which is poured into drainage ditches. Unit can do a clearing job that would cost 20 times as much if done by shovel gang.

Conservation Pay-Off: A $320,000 beaver crop is in prospect for registered trapline owners in northern Manitoba for the 1950 trapping season and the Fur Advisory Board, which with co-operation of Ottawa controls the annual take, has authorized taking 16,000 beaver this year, the largest number since trapline projects were initiated in 1940. In 1942-43 some 3,000 beaver were all that was left in a once great trapping region known as "central area" and only 504 pelts (value $17,060) were taken. Six years later production was 13,576 pelts, value $298,892.

Saskatchewan

Prairie Route Decided: Saskatchewan route of Trans-Canada highway has been decided with the exception of a portion running east of Swift Current to Alberta border. Route, which will involve purchase of a great deal of right-of-way, will run north of CPR line from Manitoba border for some 80 miles, will then cross the tracks and run south of the railway to meet a new road being constructed 29 miles east of Regina. Route through Regina has been decided but has not been made public for fear of real-estate speculation.

To Install 6,000 Telephones: Largest annual program in its history will see Saskatchewan Government Telephone Corp. install 6,000 telephones in 1950, calling for 5,000 lines of central office equipment to be linked up in various offices. Long distance net work will also be increased by approximately 6,300 circuit miles, mostly on existing routes and will serve to ease burden on lines now overloaded. Distribution plants will be enlarged in some 25 towns and cities.

Alberta

Alberta Eggs Still Sunnyside Up: Ottawa propping of egg prices, combined with founding of a dehydration industry in Edmonton, finds Alberta poultrymen still thinking in terms of profits. Joint play of Edmonton Produce Co. Ltd. and General Egg Products, Ltd., new industry will provide a market outlet for 500 cases of eggs a day. Company is organized under federal charter and will have offices in Toronto and Montreal as well as representatives across Canada to reach all industrial users. Low-grade eggs will be processed for use in textile, lithography and packaging industries. High-grade will go into other products.

British Columbia

Want Rain to Stop Hail: In resolution adopted at 61st annual convention of B. C. Fruit Growers Association held recently at Penticton it was pointed out "scientific research has proven that, under favorable conditions hail clouds can be dispersed by dropping ice pellets into them by plane." They asked that Federal Government use it and thus stop hail storms before they do any damage. By 80-6 vote, convention also approved a grower-owned hail insurance company and a bill, already drawn up, will seek incorporation at new session of the Legislature.

Air Age and Vancouver: This year will see the start of an era of growth and development at Vancouver International Airport that will make the last 20 years seem like slow motion, according to William Templeton, airport consultant. In 1929 Templeton was commissioned to plan Sea Island base, some 14 air services now use it, handling over 900 passengers a day plus freight. This provides work for some 1,600 persons, calling for a $4.3 millions annual payroll and involving $10 millions worth of aircraft. Said Templeton—"Next 20 years will bring to Vancouver an airport industry that will assume an importance to the country greater than our famous Burrard Inlet harbor."

H. M. MEIKLEJOHN

has been appointed managing director, Sovereign Life Assurance Co., and elected a director.

$360,000 Public Bldg. For Red Deer, Alberta

Red Deer, Alta., gets one of the West's biggest postwar public office buildings with award of a construction contract by the Federal Government at $360,000 to Hornstrom Bros., Calgary. Red Deer's new public building, on which foundation work is being started this month, will be 2 stories high.

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Position of Chartered Banks of Canada as of December 31, 1949 Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada Secured	Demand Deposits in Canada	Savings Deposits in Canada	Deposits in Canada in currencies other than Canadian
	$	$	$	$	$	$	$
Montreal	3,561,021	70,247,394	31,868,306	....	502,905,077	1,085,884,913	15,228,101
Nova Scotia	1,162,790	12,441,192	4,552,828	....	203,900,817	405,196,469	5,392,577
Toronto	524,331	11,971,444	4,767,977	....	129,729,346	270,027,346	511,226
Provincial	249,653	2,245,738	681,135	....	30,960,128	116,251,832	34,089
Commerce	2,915,696	28,709,678	37,619,238	....	455,007,123	823,719,216	7,046,355
Royal	3,816,494	40,718,755	44,304,109	....	636,124,760	957,533,019	37,321,967
Dominion	482,959	13,355,473	4,023,922	....	130,648,597	217,588,420	6,080,790
Nationale	536,852	8,741,849	4,259,204	....	96,363,026	284,391,903	707,197
Imperial	691,527	9,630,314	35,277,713	....	143,928,361	264,627,839	1,815,314
Barclays	48,795	2,045,751	15,822	....	6,909,754	8,130,951	5,229,011
Total	13,990,117	200,107,588	167,370,254	....	2,426,476,989	4,433,351,908	79,366,657

NAME OF BANK	Deposits Elsewhere	Bal. due to other banks in Canada	Due to banks in U. K.	Due to Banks Elsewhere	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund
	$	$	$	$	$	$	$	$
Montreal	92,057,249	25,785,165	11,776,295	22,543,512	20,731,860	1,624,530	750,000	48,000,000
Nova Scotia	87,069,173	10,829,422	1,390,064	3,473,956	18,736,331	558,034	784,610	24,000,000
Toronto	....	3,004,217	3,534,638	1,475,786	2,403,317	18,526	126,111	14,000,000
Provincial	....	2,764,057	8,902	35,463	884,541	70,854	50,498	2,000,000
Commerce	99,499,448	13,652,955	5,986,258	10,138,440	45,812,172	506,527	1,224,225	30,000,000
Royal	361,370,786	19,060,647	5,623,911	42,055,910	48,712,492	3,581,306	89,228	44,000,000
Dominion	10,062,435	5,118,793	2,699,153	2,174,524	8,258,391	177,058	178,159	10,000,000
Nationale	689,968	2,955,298	108,545	767,089	613,309	41,448	18,375	7,000,000
Imperial	....	10,343,211	2,836,732	3,628,837	7,918,596	95,035	213,271	10,000,000
Barclays	....	470,714	3,432,769	1,971,746	644,758	11,358	....	1,500,000
Total	650,749,059	93,984,479	37,397,267	88,265,263	163,665,767	6,684,766	3,434,527	190,500,000

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	Last Dividend	†Loans to Directors and firms of which they are partners	Greatest Amount of Notes in circ.	Bills rediscounted with Bank of Canada
	$	$	$	$	%	$	$	$
Montreal	36,000,000	2,067,963,477	50,000,000	36,000,000	8 (2)*	631,450	3,500,976	....
Nova Scotia	12,000,000	791,488,269	15,000,000	12,000,000	14	2,152,586	1,206,597	....
Toronto	6,000,000	448,094,271	10,000,000	6,000,000	12 (2)*	520,247	530,701	....
Provincial	4,000,000	160,186,894	5,000,000	4,000,000	6 (1)*	1,373,803	254,178	....
Commerce	30,000,000	1,591,836,339	50,000,000	30,000,000	8 (2)*	1,534,601	2,945,149	....
Royal	35,000,000	2,279,313,481	50,000,000	35,000,000	10	2,133,623	3,824,082	....
Dominion	7,000,000	417,848,680	10,000,000	7,000,000	10	278,706	492,024	....
Nationale	7,000,000	414,194,066	10,000,000	7,000,000	8	743,338	541,492	....
Imperial	7,000,000	498,007,759	10,000,000	7,000,000	12	501,243	698,057	....
Barclays	1,500,000	31,911,464	1,500,000	1,500,000	....	....	49,490	....
Total	145,500,000	8,700,844,700	211,500,000	145,500,000	....	9,869,697	14,132,646	....

†And loans for which they are guarantors

*Extra dividends shown in brackets

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada	Gold and Subsidiary Coin held Elsewhere	Notes of Bank of Canada	Deposit with Bank of Canada	Notes and Cheques on other Banks	Govt. and Bank Notes other than Canadian	Balances due by other banks in Canada	Due by banks in U. K.	Due by banks elsewhere
	$	$	$	$	$	$	$	$	$
Montreal*	2,312,591	13,529	46,846,941	134,344,178	84,835,291	1,715,576	724	2,963,238	37,145,020
Nova Scotia	1,246,703	556,544	23,611,286	50,392,234	34,098,532	22,532,441	....	366,848	13,211,721
Toronto	663,119	....	10,338,553	41,957,457	15,485,197	552,310	1,991	288,913	4,149,997
Provincial	475,144	....	5,216,560	10,978,057	7,308,157	223,617	....	....	1,455,692
Commerce†	1,832,698	81,806	33,775,130	85,960,521	52,579,047	2,730,678	88,022	1,336,213	33,710,436
Royal‡	2,680,141	1,639,524	53,217,951	126,157,509	85,150,143	77,884,294	23,249	10,158,935	77,903,331
Dominion	598,470	327	8,419,633	42,675,636	16,885,960	433,017	....	1,939,092	8,650,021
Nationale§	1,177,930	7	15,669,867	24,429,939	10,773,518	433,711	....	62,797	2,136,646
Imperial	946,580	....	15,462,298	21,622,410	27,763,329	828,121	718,575	445,263	4,373,433
Barclays	5,907	....	213,890	3,171,345	207,278	7,801	153,867	666,598	1,881,844
Total	11,939,283	2,291,737	211,772,111	541,689,283	335,086,452	107,341,566	986,428	17,827,897	184,618,141

NAME OF BANK	Dom. Gov. Short Term Sec.	Dom. Gov. Long Term Sec.	Prov. Gov. Short Term Sec.	Prov. Gov. Long Term Sec.	Canadian municipal securities	Public Securities other than Canadian	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere
	$	$	$	$	$	$	$	$	$
Montreal*	230,613,811	567,270,886	45,468,935	93,335,155	47,621,008	57,356,715	136,288,751	20,332,131	22,143,317
Nova Scotia	53,031,613	181,531,539	4,282,174	15,480,093	10,065,068	8,604,775	24,736,801	26,011,274	6,505,510
Toronto	49,461,507	143,762,928	5,523,140	13,067,088	6,856,098	....	14,876,144	6,707,949	....
Provincial	15,915,286	22,497,448	6,665,679	16,627,098	6,923,162	....	7,707,908	2,743,175	....
Commerce†	108,947,496	481,877,163	24,763,243	43,566,835	22,991,229	49,791,028	66,761,654	33,779,986	6,404,179
Royal‡	255,123,605	525,736,043	29,852,042	77,772,017	35,511,563	115,736,991	109,701,230	29,299,867	29,941,442
Dominion	67,191,743	79,315,107	841,865	5,703,624	5,835,823	3,721,101	7,367,705	4,456,364	4,567,275
Nationale§	58,852,238	69,861,120	7,049,233	30,378,799	17,026,194	853,302	16,544,190	2,512,044	....
Imperial	49,388,609	145,907,230	1,687,038	7,497,900	7,408,110	2,470,794	9,311,513	6,024,364	....
Barclays	278,794	5,796,279	1,177,335	5,567,563	1,022,657	3,822,419	352,673	676,450	....
Total	888,807,492	2,223,555,743	127,310,674	318,005,462	161,261,512	242,356,125	393,548,669	133,543,504	69,561,723

NAME OF BANK	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	*Real Estate other than Bank premises	Bank Premises	Deposit for note circulation	Other assets	▲Total assets
	$	$	$	$	$	$	$	$	$	$
Montreal*	453,557,856	20,936,462	6,243,007	16,509,047	346,106	269,817	18,000,656	206,469	3,111,402	2,069,119,288
Nova Scotia	228,546,607	45,049,672	2,920,402	7,667,866	63,807	3,833	8,802,167	71,471	7,188,967	794,223,294
Toronto	122,520,915	....	....	5,146,538	22,771*	8,528	5,632,902	29,980	63,579	449,524,621
Provincial	49,762,081	....	20,586	2,743,755	22,595	73,935	2,273,436	14,792	206,110	160,688,914
Commerce†	412,089,703	40,467,211	13,167,541	11,149,225	366,457	241,598	17,153,189	175,000	3,941,873	1,595,541,349
Royal‡	452,188,545	101,356,414	2,746,612	12,996,465	268,019	257,459	13,765,019	220,000	7,172,879	2,283,173,798
Dominion	141,538,259	2,563,698	149	1,601,866	20,373	40,748	6,217,881	30,290	309,964	419,204,385
Nationale§	130,792,556	325,266	....	9,008,525	23,727	210,586	6,657,656	30,298	316,386	414,739,856
Imperial	177,983,828	195,330	161,560	4,933,543	21,176	....	6,617,700	30,511	72,969	499,798,763
Barclays	4,960,512	....	....	190,000	815	....	1,338,978	3,433	23,500	32,064,696
Total	2,173,940,862	210,894,053	25,259,857	71,946,830	1,155,846	1,106,304	86,459,584	821,244	22,406,729	8,718,180,991

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of The Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to The Canadian Bank of Commerce return.

*Includes mortgages.

▲Includes $163,665,767 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada Return.

§Banque Canadienne Nationale (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of the Banque Canadienne Nationale (France) are included in the above general statement.—Footnote to Banque Canadienne Nationale return.

Lloydminster Lifts Output Prorationing With Spurt in Heavy Crude Demand

A sharp improvement in marketing conditions — both immediate and prospective — is reported for the Lloydminster oilfield, North America's largest black oil field, centring at the town of Lloydminster and the Alberta-Saskatchewan boundary. Secretary-Treasurer H. D. Watson of Lloydminster Petroleum Association reports that voluntary prorationing was suspended early in January to meet increased demand.

According to present expectations, 1950 will be one of the biggest years in the history of Lloydminster and the 1949 record output of 1,496,842 bbl. will likely be exceeded.

Expectation was that 10,000 bbl. more oil would be delivered in January than in December as a result of quickening demand for the field's crude. Railroads are converting from coal- to oil-burning locomotives as quickly as possible and this is a factor in the radically changed picture. Many producers are now busily engaged in placing suspended and new wells on production but severe weather has handicapped operations to date.

Hard Meeting Demand

On Dec. 29, Husky Oil & Refinery Ltd., advised that all intakes to their Lloydminster refinery would be raised 20,000 bbl. over the previous month to approximately 80,000 bbl. Up to Jan. 15, approximately 32,180 bbl. of oil had been delivered to the refinery. Since this was about 5,000 bbl. behind schedule, if the quota of 80,000 bbl. was to be met, the proration to 32% of potential for wells delivering to the Lloydminster refinery was ignored for remaining two weeks in an attempt to reach the objective.

Field storage was being rapidly depleted and difficulty was expected again in February in meeting quotas without the placing of more wells in production. Refinery requirements will be at least 80,000 bbl in February.

December Situation

Oil output in December of 111,845 bbl. was delivered as follows: Husky Oil & Refinery, 65,681 bbl.; Excelsior refinery, 24,847 bbl.; Moose Jaw refinery, 18,242 bbl.; and Hi-Way refinery, Saskatoon, 3,075 bbl.

In the field itself, preparation is being made for additional handling facilities for oil. Franco Oils is now completing a $75,000 cleaning and desalting plant in the Lone Rock field which will have a capacity of 1,500 to 2,000 bbl. per day. It is expected to be ready for operation early in March. It is also expected that plans will be announced shortly for a similar plant west of Lloydminster to serve the Blackfoot-Durness area. Possibilities for a plant at Marsden to serve the Dina area are also being investigated.

Sell Flin Flon Oil?

A market survey being undertaken by A. E. O'Brien for the Lloydminster Petroleum Association has indicated possibilities for opening up at least two substantial new markets for Lloydminster crude.

There is a distinct possibility of establishing a market for at least 1,000 bbl. per day in the Flin Flon area, while a potential market of 3,000 bbl. per day has been revealed in the State of Washington. Intermittent coal strikes in the United States, making coal deliveries unreliable, has resulted in greater conversion from coal to oil and has created a greater demand for fuel oil both for home and industrial use. In addition the Husky and Excelsior refineries have continued to develop new uses for Lloydminster crude. A development of the use of Lloyd crude for briquetting is expected to procure additional markets. People in the field think that briquetting for Canadian fuel to replace American coal in Eastern Canada is a good possibility.

Drilling was at a reduced rate in Lloydminster during 1949. In all, 82 wells were drilled, 34 of which were producing by the end of the year. Casing was set in another 36, for further testing when market conditions improve while 11 others were abandoned as "dry" holes.

A total of 519 wells have now been completed of which 282 are in Saskatchewan and the balance in Alberta. Producing wells total 185, suspended oil wells number 109 and 38 other wells have casings set. Twenty-four are gas wells and 51 are "suspended."

BOOKS FOR BUSINESSMEN

INVESTMENTS, by George W. Dowrie, Ph.D., and Douglas R. Fuller, Ph.D.; John Wiley & Sons, Inc., 440 Fourth Avenue, New York 16, N.Y., U. S. A.; 611 pages; price $5.

This book is the second edition of a book originally published in 1941. Dr. Dowrie is Emeritus Professor of Finance in the Graduate School of Business, Stanford University and Dr. Fuller is Vice-President, Northern Trust Co., Chicago.

Scope of the book is illustrated by the headings of the five parts into which is divided, namely, "The nature of investment," "The mechanism of investment," "Investment policy," "Investment analysis," and "Investment management."

The book is intended for college classes, the personnel of financial institutions and the general reader who wishes an understanding of the policies and processes involved in the selection and supervision of investment media. It is based on U. S. examples.

In the second edition, two new chapters have been added: "Relation of Taxation to Investment Policy" and "Selection of Preferred Stocks." In addition the treatment of formula investment plans has been expanded. Numerous changes have been made in the examples of analysis in order to illustrate analytical technique under the conditions prevailing since 1941. Some selected projects have been added to meet a general demand. The historical aspects of investment and the presentation of investment media and mechanisms have been abridged. Recent developments of statistical material have been introduced. Supplementary readings have been added.

The authors have purposely avoided lengthy excursions into the history and current problems of the railroad, public utilities, agencies of the government and other users of investment funds, stating "the field of investment has become so extensive that no one can hope to become an expert in all its branches." They feel that the function of a general textbook should be to present principles applicable to all forms of investment and to introduce the reader to the major problems presented by each of the more important special aspects of the subject.

* * *

LABOR DICTIONARY by Paul Hubert Casselman, University of Ottawa; Philosophical Library, New York. 554 pages. $7.50

What's the difference between arbitration and conciliation? What's a captive mine; a ca'canny strike; an open shop; a closed shop? If you are puzzled by any of the terms and abbreviations used in labor and industrial relations matters, this book explains most of them. The volume contains nearly 2,500 entries, consisting of definitions of labor terms, biographical sketches of labor leaders, brief reports on labor agencies and unions, legislation and fills a need for a concise reference guide for those who have to deal with labor.

* * *

CANADIAN INCOME TAX ACT, 1950; published by CCH Canadian Ltd., Toronto; 296 pages; price $2.50.

The 15th edition of the standard consolidation of the Canadian Income Tax Act contains a two-way cross reference table to old and new Acts, and a 34-page index which brings all points of reference instantly to use.

A booklet on the Depreciation System, published simultaneously, sets out at practical working level the new law and regulations for depreciation effective for 1949 and subsequent taxation years.

* * *

AUDIT WORKING PAPERS, by Maurice Peloubet, C.P.A.; McGraw-Hill Co. of Canada, Toronto; 508 pages; price $11.05.

Here is a complete revision of a previous book of the same title published in 1937 by the American Institute Publishing Co. under the auspices of the American Institute of Accountants.

Changes in auditing procedures since 1937 have, the author hopes, been fully described and illustrated. Weight has been given to the factors which influenced these changes, and fully developed examples rather than mere forms and instructions have been used to show the application of the various methods and procedures described.

The book gives a detailed illustrated set of audit working papers for a manufacturing corporation in the $10 million class organized as a holding-operating company with several subsidiaries. Working papers are devised to provide basic information for preparing comprehensive reports to the management, to stockholders, to the Security and Exchange Commission, and to other regulatory governmental bodies as well as for preparing federal and state income tax returns.

In addition it shows application of the method of preparing working papers to the accounts of a service corporation, a trading partnership and an estate. The form, organization and indexing of working papers are illustrated in detail.

* * *

STATISTICAL YEARBOOK 1948, United Nations Department of Public Information; distributed in Canada by Ryerson Press, Toronto; 482 pages; price $6.

The first comprehensive collection of international statistics since 1945 issue of the League of Nations' Yearbook, this volume contains factual information from 239 countries. Included are annual production figures, from 1928 to 1948, for 104 commodities, materials and products.

In international trade, total imports and exports in national currencies are given for 130 countries through 1928-48. There are also tables on such subjects as social security, housing, crime, illiteracy, education and newspapers. Sections are devoted to wages and prices, national income, etc.

* * *

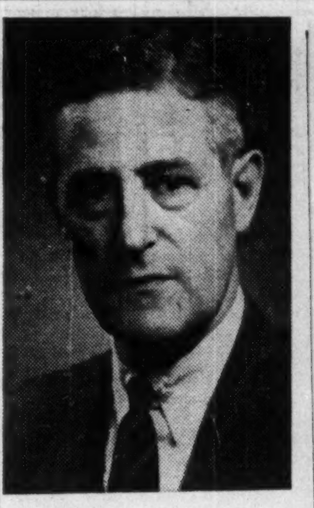
CANADIAN ALMANAC & DIRECTORY FOR 1950; Copp Clark Co., Toronto; 828 pages; Price $8.50.

Concise, compact and with its usual wealth of information, Canadian Almanac & Directory for 1950 is just off the presses.

A "must" in every efficiently conducted business office, the Almanac has grown from a small pamphlet started a century ago to its present format of over 800 pages.

The painstaking accuracy, thoroughness in covering its field and voluminous contents that range from precise titles in government, correct spelling of names, complete listing of towns, villages, cities in every province, and a wide range of information on many other subjects, makes it the most authoritative and complete directory on Canadian affairs available today.

CANADIAN CANNERS LTD. An additional 2,458 convertible preferred shares have been exchanged for an equal number of common, reducing convertible preferred outstanding to 238,612 and increasing common outstanding to 254,318.



J. PEMBROKE

has been appointed general manager, Royal Trust Co., Montreal.

1950 Trade Fair Opportunities

Next month sees the beginning of the annual international trade fair season in Europe with a regular circuit opening in Germany at Leipzig (one of the oldest international trade fairs) March 5-12, and continuing through Austria, Denmark, Netherlands, Italy, France, Belgium, Poland, Britain, Turkey.

Canada, with her own trade fair at Toronto, May 29-June 9, attracting exhibitors from most of these countries, is represented at a number of these overseas fairs by business firms operating through their agents overseas; is putting on her biggest national effort at the British Industries Fair, May 8-19; the Brussels fair, April 29-May 14; and the Milan fair, April 12-30 with government-sponsored exhibits.

Here's a list of the more important fairs scheduled for 1950:

March
5-12—Leipzig Spring Fair.
12-19—Vienna Spring Fair.
17-26—Danish Industrial Exhibition, Copenhagen.
21-30—Royal Netherlands Industries Fair, Utrecht.
29-April 2—German Industries Fair, Hanover.

April
12-30—Milan International Samples Fair.
15-25—Swiss Industries Fair, Basle.
15-24—Lyons International Fair.
29-May 14—Brussels International Fair.
29-May 14—Liége International Fair.
29-May 14—International Trade Fair, Poznan, Poland.

May
8-19—British Industries Fair, London and Birmingham.
13-29—International Trade Fair, Paris.
29-June 9—Canadian International Trade Fair, Toronto.

June
10-25—International Trade Fair, Lille, France.
11-26—International Trade Fair, Bordeaux, France.

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Making new goods for the world has raised Britain's production to a record level. In turn these exports enable her to buy—and Britain is the world's greatest customer.
Trade Buyers! Ensure your accommodation now *because tourists also reserve Britain's hotels in May.*
★ *B.I.F., the largest national trade fair, will be extended in 1950. Exhibits alone will occupy 100,000 square metres.*
★ *For the convenience of buyers public admission is restricted throughout the Fair.*
★ *Twenty-six groups of allied trades will represent ninety industries.*
★ *Engineering & Hardware in Birmingham. Lighter Industries in London.*
BRITISH INDUSTRIES FAIR
LONDON MAY 8-19 BIRMINGHAM
INFORMATION about exhibitors, advance catalogues, special displays and facilities at the Fair can be obtained from the United Kingdom Trade Commissioner at Ottawa, Montreal, Toronto, Vancouver or Winnipeg; or from the Imperial Trade Correspondent at St. John's or Halifax

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DEDICATED TO THE PROMOTION OF INTERNATIONAL TRADE BY THE GOVERNMENT OF CANADA

Do Shareholders Get an Even Break?

Lower % of Net Profit Being Paid Out in Cash Dividends

By JAMES H. JOYCE

Canadian businessmen and investors, assessing earnings prospects for 1950, now have before them the picture for 1948 for 663 Canadian companies as compiled by the Bank of Canada.

These 663 firms show, for 1948, a net investment in new plant property and equipment of $475 millions and a net increase in their investment in inventories of $173 millions — a total for these two items of $648 millions. This followed a net investment of $403 millions in new plant property and equipment and of $302 millions in inventories — a total of $705 millions — made in 1947, and a total of $423 millions made in 1946.

To meet 1948 requirements for expansion and continuing business these firms:

(1.) Increased funded debt by $161 millions.

(2.) Retained $259 millions of net profits, after taxes, or 45.4% of total net profits, after taxes.

(3) Raised $25 millions by issuing preferred stock.

(4) Raised $25 millions by issuing common stock.

(5) Reduced working capital, ex. inventories, by $45 millions.

(6) Obtained $194 millions from depreciation charges.

From this it will be seen that investors provided $470 millions or 72.5% of the funds required by the 663 firms to continue business operations and to expand either from a new investment or by leaving earnings in in the business.

In 1948 only 54.6% of the net income available to stockholders was paid in cash dividends to shareholders — by far the smallest percentage of net profit paid to them in the previous 11 years. The actual proportion of net profit paid out in cash dividends for these years shows as follows:

Year	% of net profit paid shareholders
1938	97.8
1939	78.6
1940	79.7
1941	74.1
1942	68.4
1943	69.5
1944	71.9
1945	70.3
1946	72.9
1947	64.5
1948	54.6

It is also significant to investors that the 1948 net profit of these companies is 144.0% higher than the 1938 profit but that the amount paid out in cash dividends is only 36.2% higher in 1948 than in 1938. Further if the result in 1948 is compared with the result of the previous year, it will be seen that the 1948 net profit is 29.2% higher than the 1947 net but that the amount paid out in dividends is only 9.5% higher in 1948 than in 1947.

Several important facts should be considered:

(1) The net profit is expressed in dollars at an inflated price level. The 1948 dollar was worth 14.4% less than the 1947 dollar and only about 49% of the 1938 dollar in terms of buying power. (based on cost of living index).

(2) The need for additional inventory investment arose partly as a result of rising prices.

(3) The higher cost of replacing capital assets required a greater capital investment for the same physical results, since replacement costs in most cases were far greater than when existing facilities were installed.

(4) Due to circumstances in the stock market, it was too costly if not impossible for most companies to raise equity capital so that, in many cases, the only economical method of increasing equity capital was through retaining earnings.

(5) The added risk of doing business with prices rising and in many cases with a lower margin of profit required the conservation of cash. (Cash held by the 663 companies was 8.6% higher in 1948 than in 1947).

(6) Some firms were not earning an adequate return on their capital investment in the prewar years.

The "Profit Statistics: Summary Statement" is reproduced in the accompanying table.

A study of it and of the consolidated year-end dollar sheet figures shows:

(1) Working capital, including inventories, increased 14.8% in 1948 and is nearly 2¼ times its 1938 figure. (Actual figures $1,923 millions in 1948, $1,675 millions in 1947 and $856 millions in 1938).

(2) Funded debt increased 16.8% in 1947 to $1,142 millions and is 43.4% greater than its low of $796 millions at the end of 1944 and is 24.0% greater than its 1938 level of $921 millions.

(3) Preferred stock outstanding ($486 millions) increased 4.7% in 1948 and is back close to its 1938 level of $488 millions.

(4) Common stock outstanding ($1,629 millions) is up 1.9% in 1948 and is 15.0% higher than in 1938 ($1,417 millions).

(5) Earned surplus reserves ($1,970 millions) were up 21.8% in 1948 and just over 2½ times their 1938 level of $775 millions.

(6) Of the combined total of capital and surplus at the end of 1948, 22.3% was represented by funded debt and loans, 9.2% by preferred stocks and 68.5% by common stocks and surplus — a stronger capital position than in 1938 when the percentages were 26.3%, 13.4% and 60.3% respectively.

(7) Consolidated net operating profit in 1948 of $1,065 millions, before depreciation, bond interest and income taxes, shows an increase of 16.2% from 1947 ($916 millions) and is over 2.7 times its 1938 level of $390 millions.

(8) Consolidated depreciation charge of $194 millions is up 17.6% from 1947 ($165 millions) and is nearly 80% higher than in 1938 ($108 millions).

(9) The downward trend in bond interest charges of the last few years was interrupted in 1948 due to the increase in funded debt. Bond interest charges were 12.1% higher in 1948 than in 1947 but are still 15.9% below their 1938 level. (Actual figures $37 millions, $33 millions, $44 millions.)

All groups of companies did not follow the same general trend of profits over the 11-year period. In another accompanying table, The Financial Post shows the net income to stockholders for 1948 as a percentage of 1947, 1945 and 1938. This table shows interesting variations.

In 1948 three groups of companies—rubber, leather and electric utilties — showed a lower net profit than in the previous year.

On the other hand the primary textile industry more than doubled its 1948 profit as compared with 1947.

Profit Statistics For 663 Companies*

(Millions of Dollars)

Fiscal Year Nearest to Calendar Year:	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
Net operating profit (before depreciation) (1)	390	466	588	727	791	752	687	674	741	916	1,065
Depreciation (2)	108	115	136	165	187	181	155	146	147	165	194
Investment and other nonoperating income (net)	47	44	39	42	36	38	39	41	44	46	48
Bond interest (incl. exchange and amortization of discount)	44	44	44	44	42	41	40	38	36	33	37
Net profit before income and E. P. tax provision (1)	285	351	447	560	598	568	531	531	602	764	882
Income and E. P. tax provision (ex. refundable portion)	51	71	171	263	300	289	264	262	273	322	311
Net income to stockholders (1)	234	280	276	297	298	279	267	269	329	442	571
Net income paid out in cash dividends	229	220	220	220	204	194	192	189	240	285	312
Undistributed income (1)	5	60	56	77	94	85	75	80	89	157	259

Note: *The tabulation includes all those companies with 1941 assets over $200,000 for which consistent reports were available from 1935-1948. The accounts of certain companies which were available in some or all of these years were not comparable throughout the period and had to be excluded. Since many of the companies report on a consolidated basis, the number of individual companies included in the sample is actually a good deal larger than indicated. The material is, of course, subject to all the limitations and qualifications which apply to the basic accounting statements.

(1) For purposes of comparability, any special capital charges made against income account in company reports have been added back as well as "contingent" and "general" reserves. Special inventory reserves, whether shown by the company in operating expenses or as an adjustment to earned surplus, have been deducted in arriving at Net Operating Profit. For the Total 663 Companies the special inventory reserves amounted to .2, 1.7, 5.7, 11.1, 5.9, 2.8, 4.2, 1.8, 14.9 and 1.8 in the years 1933-48 respectively.

(2) Includes deferred development and depletion provision where charged by the company. For the Total 663 Companies these amounted to 10.0, 9.5, 10.1, 10.2, 9.7, 8.7, 8.7, 8.6, 8.1, 9.0 and 9.8 in the years 1938-48 respectively.

Net Income to Stockholders

	No. of Cos.	Incr. 1948 over 1938 %	Incr. 1948 over 1945 %	Incr. 1948 over 1947 %
Grain mill products	7	*	76.9	21.1
Food	45	178.2	92.0	30.7
Beverage	15	257.6	71.5	1.9
Tobacco	3	10.0	13.2	13.2
Leather	14	275.8	36.4	— 6.2
Rubber	7	173.9	61.5	—35.1
Primary textiles	26	631.0	194.4	101.9
Miscellaneous textiles	13	226.3	93.8	26.5
Clothing	28	†	78.3	nil
Wood products (incl. logging)	19	1,340.0	414.3	33.3
Pulp and paper	23	11,014.2	392.4	43.0
Paper products	26	288.9	191.7	16.7
Printing and publishing	12	90.9	40.0	10.5
Iron and steel products	49	295.0	154.8	53.4
Machinery	49	329.6	171.3	51.6
Electrical machinery and equip.	27	185.0	116.5	29.5
Gold mining	38	—73.5	—20.1	27.8
Other nonferrous metals	18	133.4	131.3	30.0
Nonmetallic minerals (ex. fuels)	22	191.3	173.5	52.3
Coal and natural gas	17	56.4	60.5	56.4
Petroleum	11	12.7	50.9	14.5
Chemicals	30	109.0	80.6	21.6
Paints and polishes	11	300.0	86.7	16.7
Wholesale trade and service	64	369.2	125.9	35.6
Retail trade and service	32	267.3	92.9	17.2
Electric utilities	22	42.2	19.0	— 1.1
Telephones	6	58.8	24.5	8.5
Transportation and storage	16	230.8	59.3	43.3
Grain elevators	13	*	17.6	53.8
Total	663	143.9	112.1	29.3

*Deficit in 1938. †Earnings—nil in 1938.

OSC Options

Details of mining financing arrangements have been released by the Ontario Securities Commission as follows:

BRIT-LEDUC OILS—By agreement Oct. 9, 1949, F. S. Fulthorpe received an option on 1,100,000 shares at 5c to 25c a share, payable at a minimum rate of $1,000 per month, all to be taken up within 36 months, the first payment being due Jan. 20, 1948. To date, he has taken up 410,000 shares under this agreement, 200,000 at 5c, 194,100 at 7½c and 16,000 at 10c. Authorized capital is 3,000,000 shares, $1 par, of which 1,140,105 issued (900,000 escrowed). Accepted as annual refiling, Feb. 2, 1950.

KERROMAC MINING CO.—Shares may be sold through brokers or broker-dealers on basis of 75% of proceeds of any sale going into the treasury of the company. Authorized capital 3 million shares of which 1,021,605 issued (900,000 escrowed). Accepted for filing, Feb. 3, 1950.

PETROMINE EXPLORATION & FINANCE CO.—Amending statement filed to cover acquisition of leases by the company. Accepted as amended filing, Feb. 6, 1950.

CINCH LAKE URANIUM MINES — Shares may be sold through officers of the company on basis of 75% of proceeds going into the company's treasury. Security issuer's registration granted Feb. 7, 1950, permitting A. R. Davidson to sell. Authorized capital 3 million shares, of which 1,000,004 issued (900,000 escrowed). Accepted for filing, Feb. 7, 1950.

LYNDHURST MINING CO. — As a security issuer, through its officers will offer 500,000 shares at 10c on basis of 75% of proceeds going into the treasury and additional offerings from time to time at prices the directors may fix. Security issuer's registration granted Feb. 7, 1950, permitting R. J. Jowsey and H. T. Hurley to sell. Authorized capital 3 million shares, of which 1,000,000 issued (1,000,000 escrowed). R. J. Jowsey grants to purchasers of the first 500,000 shares an option, exercisable within 90 days, to purchase one of his vendor's shares in escrow at 1c per share for each two treasury shares so purchased. Accepted for filing, Feb. 7, 1950.

BASALT URANIUM & EXPLORATION CO.—Shares may be sold through the officers of the company on the basis of 75% of the proceeds going into the company's treasury. Security issuer's registration granted Feb. 7, 1950, permitting I. K. Bezoff and J. R. Forshee to sell. Authorized capital 3 million shares, of which 1,000,004 issued (900,000 escrowed). Accepted for filing, Feb. 7, 1950.

SOUTH SHORE GOLD MINES—Registered particulars of sale through officers of 1,000,000 shares at 50c on basis of 75% of proceeds going into company's treasury. Security issuer's registration granted Feb. 3, 1950, permitting D. J. Crichton to sell. Authorized capital 3 million shares, of which 1,002,500 issued (899,996 escrowed). Accepted for filing, Feb. 3, 1950.

NATURE UNSPOILED

YOURS TO ENJOY

The SLATE-COLORED JUNCO is perhaps our commonest winter bird. Small and grayish-black, about the size of a sparrow, he's known by his flashing white outer tail feathers. You'll find him by the sides of snowy fields. He's a cheery visitor and should be protected.

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THE CARLING BREWERIES LIMITED
WATERLOO, ONTARIO

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SUNSHINE WATERLOO Co., Ltd.
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A RECORD That Reflects Confidence

1949 ANNUAL REPORT

BALANCE SHEET, DECEMBER 31, 1949

ASSETS

Mortgages and Agreements of Sale	$10,453,366.37
Real Estate	300,000.00
Loans on Policies	1,211,166.15
Bonds and Debentures	8,759,337.48
Preferred and Common Stocks	819,270.35
Loans on Collateral	68,735.43
Cash in Banks, Home and Branch Offices	55,764.30
Interest and Rents Accrued	217,480.89
Net Premiums Due and Deferred	376,603.24
	$22,261,724.21

LIABILITIES

Policies Reserves	$18,480,754.58
Policy Claims Awaiting Proof	165,391.73
Other Policy Obligations	1,756,515.96
All Other Obligations	319,552.46
Capital and Shareholders' Account	312,637.34
Policyholders' Dividend Reserve	141,210.40
Reserve for Unreported Claims	25,000.00
Investment Reserve	350,000.00
Surplus Above Reserves	700,661.65
	$22,261,724.21

● INSURANCE IN FORCE (EXCLUDING RETIREMENT ANNUITIES) - - - = $116,999,373
● NEW INSURANCE (EXCLUDING RETIREMENT ANNUITIES) - - - - = $ 17,208,243
● PAID TO POLICYHOLDERS AND BENEFICIARIES - = $ 1,080,292
● GROSS INTEREST RATE EARNED: 4.46%

Northern Life
Assurance Company of Canada
R. G. IVEY, K.C., President
G. W. GEDDES, General Manager
Established 1897
Home Office: London, Canada

business calls in a...

Diplomat

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The measurable influences which "SUPERFINE LINEN RECORD" bring to the aid of business are assets that you may buy for the fraction of a cent more per letter than the cheapest of bond papers. We suggest that you consider this interesting fact when you are about to specify a paper for your company letterhead.

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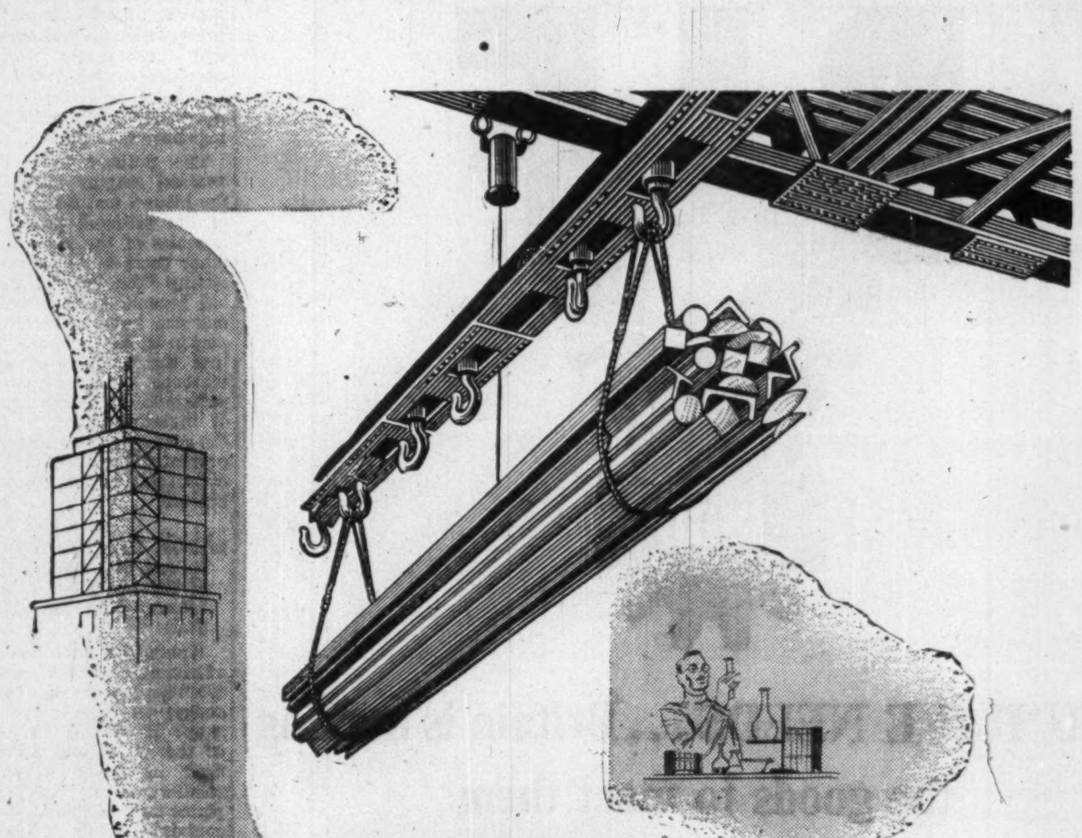

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DIVIDEND NOTICES

Abitibi
POWER & PAPER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that dividends, in the respective amounts per share set out below, have been declared payable April 1, 1950, to shareholders of record at the close of business March 1, 1950, on the following outstanding shares of ABITIBI POWER & PAPER COMPANY, LIMITED:

Preferred, 37½c per share
Common, 50c per share

By Order of the Board.
L. B. POPHAM,
Secretary.
Toronto, February 9, 1950.

CANADIAN WESTERN NATURAL GAS COMPANY LIMITED
DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of Twenty Cents (20c) per share on the Cumulative Redeemable Preference Shares 4% Series of the par value of $20.00 each of the company will be paid on the 1st day of March, 1950, to all shareholders of record at the close of business on the 15th day of February, 1950.

DATED at Calgary, Alberta, this 7th day of February, A.D. 1950.
By Order of the Board.
S. C. MURISON,
Secretary.

Taylor, Pearson and Carson (Canada) Limited
DIVIDEND NOTICE

Notice is hereby given that the fifteenth quarterly dividend at the rate of five per cent (5%) per annum in respect of all preferred shares of the company issued and outstanding will be paid to all holders of the preferred shares of record in the books of the company as of February 17, 1950.

The dividend will be payable at the head office of the company on March 1, 1950.

By Order of the Board.
J. G. FULLERTON,
Secretary-Treasurer.
Edmonton, Alberta,
February 11th, 1950.

EDDY PAPER COMPANY LIMITED
Notice of Dividend on Class A Shares

The Board of Directors has declared a quarterly dividend of 25 cents ($.25) a share on the outstanding Class A Shares of the Company, payable March 15, 1950, to shareholders of record at the close of business on February 18, 1950. Cheques in payment will be mailed to the shareholders of record. Stock transfer books will not close.

R. F. CALDWELL,
Secretary.
Hull, Canada.
February 8, 1950.

Waite Amulet Mines, Limited
DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Twenty-five Cents (25c) per share has been declared by the Directors of Waite Amulet Mines, Limited, payable March 10, 1950, to shareholders of record at the close of business February 15, 1950.

By Order of the Board.
J. R. BRADFIELD,
Secretary.
Toronto, Ontario,
February 8, 1950.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 141

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for quarter ending 28th February, 1950.

Notice of Common Stock Dividend No. 96

A dividend of one and a half per cent (1½%) has been declared on the Common Stock of this Company, for quarter ending 28th February, 1950.

The above dividends are payable on the 1st day of April, 1950, to Shareholders of record at the close of business the 28th day of February, 1950.

By Order of the Board.
D. F. POLLOCK,
Secretary.

NOTICE OF DIVIDEND

JOHN LABATT LIMITED

Notice is hereby given that Dividend No. 21 of twenty-five cents per share has been declared on the outstanding no par value common stock of the Company, payable on the First day of April, 1950, to shareholders of record the Fifteenth day of March, 1950.

By Order of the Board.
JOHN S. LABATT,
President.
London, Ontario, February 7, 1950.

BURRARD DRY DOCK COMPANY LIMITED

NOTICE IS HEREBY GIVEN that a quarterly dividend of .11c per share on the Class "A" shares of the Company has been declared for the quarter ending February 22nd, 1950, payable on the 15th day of March, 1950, to shareholders on record at the close of business on the 22nd day of February, 1950. The Transfer Books will not be closed.

By Order of the Board.
C. H. MORDY,
Secretary-Treasurer.
Vancouver, B.C.
February 7th, 1950.

HALLNOR MINES, LIMITED
(No Personal Liability)
DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Seven Cents (7c) per share, has been declared by the Directors of Hallnor Mines, Limited (No Personal Liability) payable March 1st, 1950, to shareholders of record at the close of business February 15th, 1950.

By Order of the Board.
J. R. BRADFIELD,
Secretary.
Toronto, Ontario,
February 9, 1950.

Canadian Firms Would Help Finance Gas Line

There will be no trouble financing the $100 million pipe line which Westcoast Transmission Co. proposes to build to transport Alberta natural gas to the Pacific coast, it was stated at recent hearings before the Alberta Petroleum and Natural Gas Conservation Board. Several pipeline companies are seeking licenses to export natural gas from the province. Other companies include Prairie Transmission Co. and Northwestern Natural Gas Co.

Testifying for Westcoast Transmission, John F. Power of Eastman, Dillon & Co. of New York said his firm, along with First Boston Corp., was ready to underwrite the system. He said the financing would be handled in conjunction with two Canadian financial houses, Nesbitt, Thomson & Co. of Montreal and Wood, Gundy & Co., Toronto. It would be divided 75% to bonds and the remainder to preferred and common stock. Power added the financing could not be done with less than a 50% bond issue. He said that arrangements would be made to place in Canada all the securities the Canadian market wanted to absorb.

Allan Williamson, vice-president of Wood, Gundy testified that his company was ready to participate in the underwriting and that he was authorized by Nesbitt, Thomson to state that their position was the same as Wood, Gundy.

DIVIDEND NOTICES

POWELL RIVER COMPANY LIMITED

NOTICE OF DIVIDEND NO. 21

A meeting of the Board of Directors of Powell River Company Limited was held on Thursday, the 9th day of February, 1950, at which the following resolution was passed:

UPON MOTION IT WAS RESOLVED that the regular quarterly dividend of 50c per share be paid on the issued shares of the Company in Canadian Funds on the 15th day of March, 1950, to shareholders of record as of the 20th day of February, 1950, and holders of share warrants.

Said dividend will be paid in respect of the shares specified in any bearer share warrant of the Company upon presentation and delivery of Coupon No. 21 at any branch of the Bank of Montreal in Canada (far Northern points excepted) and at the branches in New York, Chicago or San Francisco, on or after March 15, 1950.

By Order of the Board.
JAMES H. LAWSON,
Secretary.
Vancouver, B.C.,
February 9, 1950.

ROYALITE OIL COMPANY LIMITED

NOTICE OF DIVIDEND NO. 45

NOTICE is hereby given that a Dividend of Six and One-half Cents per share has been declared payable to shareholders of the Company of record as such on the books of the Company at the close of business on Friday, the 17th day of February, 1950, and that the said Dividend will be payable on or after Wednesday, the 1st day of March, 1950.

By Order of the Board.
R. D. MERCER,
Secretary-Treasurer.
Calgary, Alberta,
February 10th, 1950.

UNITED STEEL CORPORATION LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly common stock dividend of fifteen (15) cents per share has been declared, payable March 31st, 1950, to shareholders of record March 17th, 1950.

By Order of the Board.
SALTER A. HAYDEN,
Secretary.
February 8th, 1950.

UNITED STEEL CORPORATION LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular Semi-Annual Preferred Dividend of seventy-five (75) cents per share has been declared, payable May 1st, 1950, to shareholders of record April 14th, 1950.

By Order of the Board.
SALTER A. HAYDEN,
Secretary.
February 8th, 1950.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED
DIVIDEND No. 133

A dividend of 60 cents a share has been declared on the outstanding no par value Common stock of this Company payable Wednesday, March 15th, 1950 to shareholders of record at the close of business on Friday, February 17th.

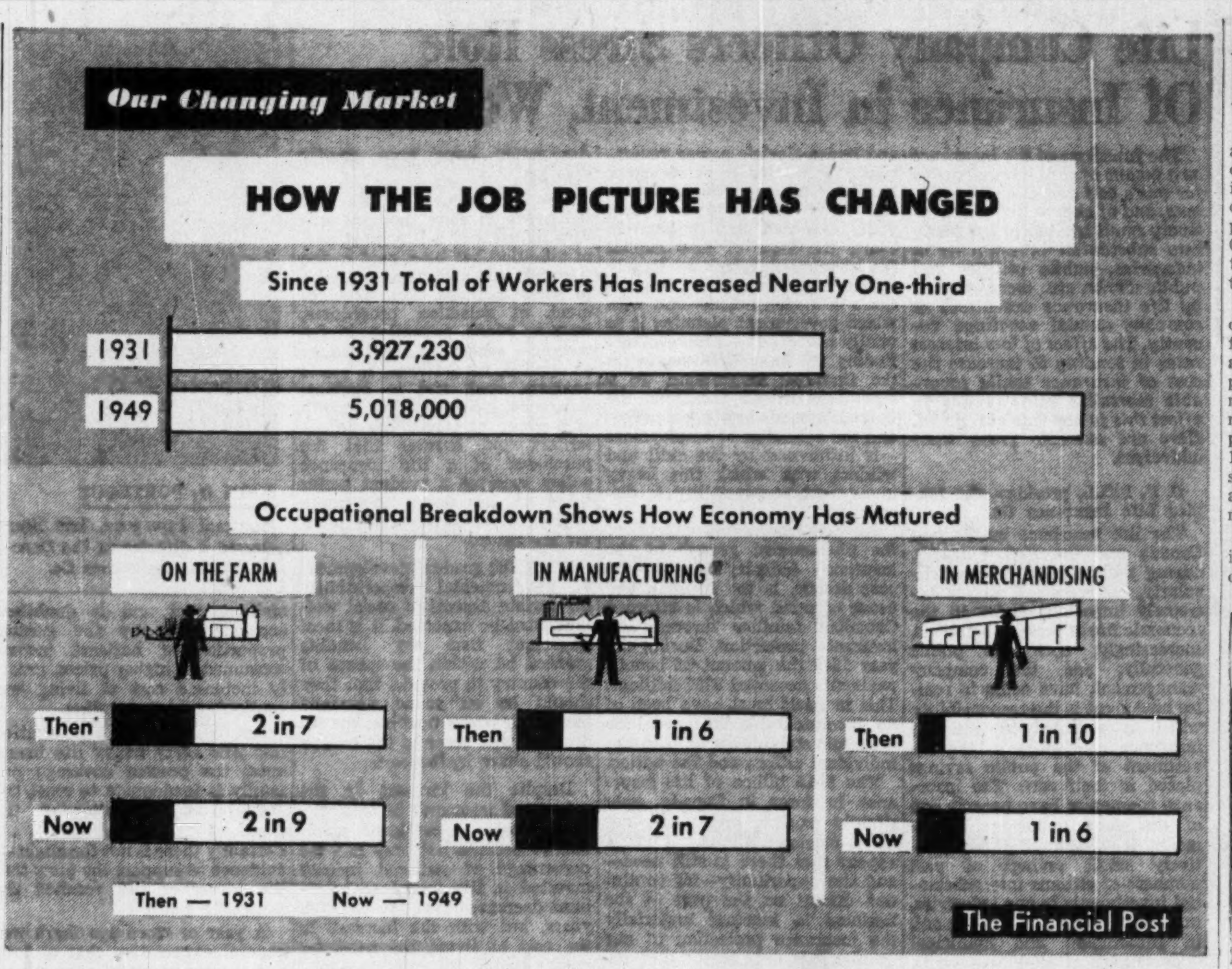
By Order of the Board,
A. H. STUART,
Secretary.
Walkerville, Canada,
January 10, 1950.

Noranda Mines, Limited

DIVIDEND NOTICE

NOTICE is hereby given that an interim Dividend of One Dollar ($1.00) per share, Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable March 15th, to shareholders of record at the close of business February 15, 1950.

By Order of the Board.
J. R. BRADFIELD,
Secretary.
Toronto, Ontario,
February 9, 1950.



How Maturing Economy Affects Market

What Switch in Canada's Job Picture Means To Merchandisers

What can you sell a man? What work does he do? The questions are related . . . and more hangs on the answers than the kind of shirt he wears. This, the third in a series of articles examining Canada's changing market, looks at the changes which have taken place in Canadian employment, traces development of a more "mature" economy in which we must do business.

By WALLACE GILLESPIE

The money which reaches the retail counter today was earned in ways widely different from a decade ago. And it will be spent in different ways.

Demonstrably, one of the most decisive factors affecting choice of clothing, foodstuffs, entertainment, etc. is the type of work a man or woman performs.

A study of the occupations of Canadian workers shows how rapidly we are maturing from a "hewers of wood" type of economy into a more urban, more diversified type.

Though the trend is well known, the extent of it may not be. At the 1931 census, for example, 16% of Canadian workers drew their pay cheques from manufacturing enterprises; the figure has now leaped ahead to 26.2%.

With mass production has come mass distribution. Merchandising, which embraced only 9.7% of our workers in 1931, now employs 17%.

Increased employment in the financial and service categories are also segments of our maturing economy—with the vast marketing changes brought and promised.

These changes have been largely possible because mechanization has enabled us to keep up production in our primary industries without increase of manpower.

Agriculture provides the most notable example. The number of people down on the farm has, except for wartime, remained relatively stable over the past two decades, despite the fact that the total of gainfully employed Canadians rose from 3.9 million in 1931 to slightly over 5 million last June.

As a result, the proportion of Canadian workers on the farms has declined from 28.7% to 22.3%. You'll find many a farmer's son in your urban market now, and the new tractor which is taking his place back home ranks as a necessary cornerstone of the modern industrial city.

Employment in other primary industries has fluctuated sharply, particularly during the war, but the total is no greater today than it was 18 years ago.

Manpower in construction work ebbed during the war; did not return to prewar levels until late 1947 but has soared since.

Transportation and communications engage steadily increasing numbers.

More Specialists Workers

These are highlights from a detailed examination of Canadian employment at five periods. The first two are the official census dates of June 1, 1931 and June 1, 1941. The last three — selected at approximately the same period of the year so as to iron out seasonal fluctuations — are dates of Dominion Bureau of Statistics labor force surveys: May 31, 1947; June 5, 1948; and June 4, 1949.

The generalization which emerges from this examination is that, proportionately a smaller segment of Canadian workers is engaged in primary production, a larger segment in secondary production.

This means more Canadians are in specialized work, fulfilling only a small fraction of their consumer needs by their own labor, drawing pay cheques to buy all the varied requirements of modern urban living.

Even in the rural areas, the degree of self-sufficiency is declining. On the Prairies, for instance, can be found horseless, cowless, pigless, and even chickenless farms. Their operators are specialized businessmen producing a commodity for which their broad acres and labor-saving machinery are most suited. Their consumer needs are as great as those of the urban dweller, while rural electrification and improved transportation channel the markets along similar lines.

With the exception of heavier types of work clothing, many manufacturers now merchandise the same commodities to the farm as they do to city or town.

With a more detailed look at the employment breakdowns, shorter-range marketing trends become evident:

During the decade from 1931 to 1941—when Canadian employment grew from 3.9 million to nearly 4.2 million—the following industries showed an actual decrease in the numbers employed:

Agriculture—from 1,128,000 to 1,082,000
Construction—from 256,000 to 220,000.
Transportation and communications—306,000 to 266,000
Finance, Insurance—from 92,000 to 89,000

The following industries, led by manufacturing, were responsible for the over-all increase during the decade:

Manufacturing—from 631,000 to 969,000
Forestry, Fishing, Trapping—from 97,000 to 144,000
Mining, Quarrying—from 71,000 to 93,000
Trade—from 387,000 to 464,000
Service—from 767,000 to 793,000

During the eight-year period since the 1941 census, employment in the following industries declined:

Forestry Fishing, Trapping—from 144,000 to 86,000
Mining, Quarrying—from 93,000 to 83,000

The following industries registered increases during the 1941-49 span, while over-all Canadian employment was increasing from 4.2 million to over 5 million:

Manufacturing—from 969,000 to 1,315,000
Trade—from 464,000 to 646,000
Construction—from 220,000 to 350,000
Service—from 793,000 to 853,000
Finance, Insurance—from 89,000 to 143,000
Transportation and communications—from 266,000 to 373,000
Agriculture—from 1,082,000 to 1,123,000 (slight drop last year from June, 1948)

The unexpected thing is that the proportion of the entire Canadian population which is employed has varied only a couple of percentage points at any of the five periods under examination. It was down to 36% at June 1, 1941; up to 38.4% at June 5, 1948.

But the over-all percentage conceals important market-wise changes which have taken place in the sex and age groups of Canada's earning force. These will be dealt with in the next article.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

TWIN CITY RAPID TRANSIT CO. 1949 operations resulted in a net loss of $423,694, compared with a net profit of $302,992 the previous year. Total income amounted to $18,556,568, down 2.2%, and expenses were $19,127,262, up 2.4%.

Revenue passengers carried on company's street railway and bus lines were 165,550,924, down 12.13%. The decrease is due principally to a slowing down of the business tempo and employment in the communities served by the lines, and an increase in use of private automobiles. The future trend of passenger traffic will be governed in a marked degree by these factors, President Charles Green stated. Streetcar and bus miles operated were 34,281,222, a decline of 2.4%.

Authority was received to increase fare on city street cars and certain bus lines effective Oct. 22, 1949, from 11c cash or token to 12c cash, 3 tokens for 35c. An increase in fare charged on two of the company's other bus lines was also authorized. Neither of the orders provided the fare which the company deemed necessary for maintenance of a proper standard of service and to provide a fair return on value of property. Accordingly the Minneapolis Street Railway Co. and The St. Paul City Railway Co. have filed applications with the Minnesota Railroad & Warehouse Commission for a fare "adequate to meet the needs of the companies under existing circumstances."

Additions during year totaled $2,654,792. Fifty new P.C.C. streamlined street cars, costing $1,449,893 were placed in service. A new bus rehabilitation shop building was erected at a cost of $114,841. An improvement to company's main power plant cost $471,686. Retirement of worn-out and obsolete property amounted to $1,353,014.

The new management is composed of a group of individuals having a vital financial interest in the stock of the company, it is said.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$1,239,434	$2,318,996
Less: Deprec.	1,522,925	1,452,673
Fd. debt int.	275,097	245,235
Misc. debits	......	9,357
Bonds amort.	10,106	10,109
Fed inc. taxes	a145,000	298,630
Net loss	423,694	*302,992
Less: Prr. pf. divs.	213,743	213,743
Deficit for year	209,951	*89,249

aCredit, arising from carry-back of operating loss to prior years.
*Profit or surplus.

Times Interest Earned:		
Before deprec.	4.51	9.46
After deprec.	....	3.53
Earnings per Share and Dividend Record:		
5% pr. pf.: Earn.	d$4.96	$3.54
Paid	2.50	2.50
Common: Earned	d2.78	0.39
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$660,880	$1,211,951
U. S. treas. cert.	400,000	875,000
Accts. rec.	140,107	81,014
Inventories	1,305,572	1,540,030
Total curr. assets	2,506,559	3,107,993
Prep. exp.§	155,056	168,701
Misc. assets	941,372	983,376
Fixed assets*	36,871,602	35,885,852
Total assets	40,474,589	40,745,924
Accts., etc., pay.	1,293,438	1,362,307
Taxes pay.	1,195,565	1,671,102
Total curr. liab.	2,489,003	3,033,409
Funded debt	7,670,489	8,668,756
Other reserves	1,524,591	1,556,488
Def. liabs.	908,739	908,548
Capital stock	13,930,100	13,930,100
Capital surplus	6,342,025	6,342,025
Surplus	7,609,642	8,306,598
*After depr. of	25,064,308	24,746,280
Working capital	17,536	674,586

§Included in curr. assets in co's report.

MARITIME TELEGRAPH & TELEPHONE CO. net profit of $765,236 for 1949 was 10.9% above the 1948 figure of $690,007.

In the year, more telephones were installed, more calls handled, more people employed, more wages paid and more invested in new plant and equipment than in any previous year. Nevertheless, the demand for all types of service continues to increase and heavy construction programs are scheduled for 1950.

Gross operating revenues at $5,096,410 were up 12.31% over 1948, while operating expenses of $3,546,492 showed an increase of 13.02% over the 1948 figure.

Dial equipment is now in operation in 16 exchanges and in P.A.B.X. systems, serving 62.6% of the total number of telephones in service.

There are still a large number of orders for telephones unfilled and new orders are received at a rate almost as large as the net installations of telephones. Telephones in service total 90,682.

Gross expenditures in 1949 for new plant totaled $3,767,980. This was financed by depreciation reserves, company funds, bank borrowing and the issue of additional common stock which produced $1,958,432.

Construction program for 1950 will be the largest on record and if budget projects are completed will require additional financing of $5 millions or more. This together with repayment of borrowings made in 1949, will necessitate heavy financing during 1950, it is stated by the president.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$2,109,680	$1,879,162
Less: Deprec.	697,411	620,310
Bond int.	190,000	190,000
Other interest	4,336	3,197
Income tax	455,702	368,653
Add: Bd. prem.	3,005	3,005
Net profit	765,236	690,007
Less: Pref. divds.	105,000	105,000
Common divds.	477,434	353,092
Surplus for year	182,802	231,915
Times Bond Int. Earn.†	7.41	6.56

†After other interest and depreciation.

Earnings per Share and Dividend Record:		
Preferred	$5.10	$4.60
Paid	0.70	0.70
Common	1.10	1.31
Paid	0.80	0.80

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$155,881	$1,639,810
Accts. rec.	571,812	524,453
Inventories	1,233,094	1,085,087
Total curr. assets	1,960,787	3,249,350
Misc. assets•	362,142	564,330
Investments	392,550	393,350
Fixed assets	20,938,520	18,134,454
Total assets	23,654,099	22,341,484
Bank overdraft	656,563	......
Accts., tax., pay.	559,848	499,372
Divds. pay.	146,406	115,282
Accr. bd. int.	85,000	85,000
Total curr. liab.	1,447,907	699,654
Def. credits	67,693	72,600
Funded debt	6,000,000	6,000,000
Deprec. res.	6,312,232	5,990,187
Other res.	578,749	578,749
Prem. on cap. stk.	559,552	559,552
Capital stock	7,517,100	7,354,400
Surplus	1,169,868	1,086,342
•Inc. ref. EPT	282,255	473,650
Working capital	512,880	2,549,696

JACULET MINES announces that as a result of favorable reports from the recent electrical resistivity survey of the company's property in the Chibougamau region of northwestern Quebec, three diamond drills have been shipped to the property. Original plan was to use only one drill but the survey was stated to be sufficiently encouraging to warrant adding the additional equipment.

Grain Prices

Chicago Futures

Week to Feb. 13, 1950

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Feb. 13
		Wheat—			
2.21⅛	1.86	Mar.	2.17⅞	2.15⅜	2.17
2.16¼	1.10¼	May	2.09¼	2.05⅜	2.07½
1.99	1.84	July	1.90⅜	1.86½	1.88⅜
1.92	1.86¼	Sept.	1.90⅞	1.87½	1.89⅜
1.95	1.88⅛	Dec.	1.92¼	1.90¼	1.91½
		Corn—			
1.33⅜	1.13½	Mar.	1.28⅜	1.26¼	1.27½
1.32⅜	1.13½	May	1.27⅝	1.24⅜	1.26⅜
1.31⅞	1.19	July	1.26	1.23¼	1.25
1.28⅜	1.17¼	Sept.	1.21⅜	1.18⅜	1.20¼
1.18	1.10⅜	Dec.	1.14⅜	1.11⅞	1.13¼
		Oats—			
.76¼	.62⅜	Mar.	.73¼	.72½	.72½
.73⅜	.59⅜	May	.68⅞	.67⅞	.68⅜
.67¼	.56¼	July	.61⅞	.60⅞	.61⅜
.66⅜	.59⅜	Sept.	.61	.60	.60¼
.63⅜	.61¼	Dec.	.62¼	.61¼	.62¼
		Rye—			
1.59½	1.28⅜	May	1.30⅜	1.26¼	1.29⅜
1.52⅜	1.26⅜	July	1.32¼	1.28	1.31¼
1.47	1.28¼	Sept.	1.34¼	1.30	1.33¼
1.39¼	1.31⅜	Dec.	1.36¼	1.33¼	1.35¼
		Soybeans—			
		Mar.	2.31⅜	2.28¼	2.31⅜
		May	2.29¼	2.26¼	2.29⅜
		July	2.25¼	2.22¼	2.24¼
		Nov.	1.94¼	1.92¼	1.93¼
		Jan.	1.94¼	1.93¼	1.93⅜

Chicago Cash

	For Week Feb. 13 High	Low	Prev. Week High	Low
Corn—				
2 Yel.	1.31¼	1.29¼	1.33¼	1.31⅞
Oats—				
1 H. Wh.	.77¼	.76	.77	.75½

Winnipeg Futures

Week to Feb. 13, 1950

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Feb. 13
		Oats—			
.83¼	.69⅜	May	.80¼	.78⅜	.79⅜
.80	.72½	July	.76⅜	.75½	.76¼
.73½	.70¼	Oct.	.73½	.72⅜	.72⅜
		Barley—			
1.45¼	1.09¼	May	1.25⅜	1.19⅞	1.24⅜
1.41¼	1.09⅞	July	1.17¼	1.12	1.16¼
1.10	1.01¼	Oct.	1.10	1.07¼	1.08¼
		Rye—			
1.64	1.32½	May	1.44¼	1.39¼	1.42
1.60¼	1.36⅜	July	1.45¼	1.39⅜	1.42⅜
1.41	1.33¼	Oct.	1.40	1.34⅜	1.38
		Flax—			
3.78	2.62	May	3.71½	3.67	3.71½
3.79	3.48	July	3.87	3.53	3.57
3.42	3.27	Oct.	3.28	3.27	3.27

Winnipeg Cash

	For Week Feb. 13 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	.87⅞	.82¼	.81½	.81
3 C. W.	.79¼	.78⅜	.78¼	.77¼
Barley—				
1 Feed	1.22¼	1.16⅞	1.17½	1.15¼
2 Feed	1.18⅜	1.14¼	1.17⅞	1.12⅜
1 Malt	1.44½	1.39¼	1.39½	1.37¼
Rye—				
2 C. W.	1.39⅞	1.35⅜	1.40½	1.36¼
Flax—				
1 C. W.	3.72½	3.70	3.66¼	3.64

How Lumber, Timber Exporters Play Major Exchange Aid Role

MONTREAL (Staff) — Canada's lumber and timber exporters have played a bigger part in improving Canada's foreign exchange position than even the pulp and paper industry, the Canadian Lumbermen's Association convention was told here this week.

Albert Jackson, Toronto economist, pointed out that in the four-year period 1945-48 lumber and timber exports (including pulpwood) had totaled $1,652 millions compared with $1,301 millions of pulp and paper exports. This was a change from 1935-38 when pulp and paper sales amounted to $436 millions and lumber and timber, $384 millions.

Reason in part was the large increase in export selling prices of lumber and timber. They had risen 160% in the 10-year interval while newsprint, for instance, had gone up only 80%. At the same time, physical volume had increased greatly too, with lumber and timber exports up 65% and newsprint 35%.

Canadian lumber producers weren't selling to the easiest markets, either, when they upped their proportion of export sales in the U. S. to 74.3% from the prewar 60.5%.

Despite the fact that exports to U. K. were only 18.4% of the 1945-48 total, and other countries only 7.3% (28.6% and 10.9% respectively, prewar), volume of lumber sold in Britain was 6% higher and to other countries, 20% higher. However, by far the biggest jump was to U. S., which took 102.24% more than in the four prewar years.

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Life Company Officers Stress Role Of Insurance in Investment, Welfare

The functions of life insurance as a means of providing security for one's self and one's dependents, and of channeling the relatively small savings of the many into substantial investments in industries, public utilities and public works, etc., were stressed by life insurance executives at company annual meetings recently. The effect of low interest rates in tending to increase the cost of insurance while favorable mortality rates tended to offset this factor was also noted. Here are extracts from their addresses.

C. P. FELL, president the Empire Life Insurance Co.

The life insurance business in Canada and the United States, during the past ten years particularly, has emerged as an extremely important factor in the economic life of these two nations. Increasingly, both the public generally, and the company management, have come to realize how great is the responsibility which is accepted by the life insurance companies in the investment of the public savings placed in their care. The insurance companies have become one of the most important instruments for channeling the relatively small savings of vast numbers of citizens into substantial investments in our industries, in public utilities, in housing and in government and municipal undertakings of all kinds—roads, schools, transportation systems and hydro-electric power generation. The purchases of securities by the Canadian life insurance companies alone, in a recent year, exceeded $1.5 billion. In short, the flow of new capital for investment, which so largely determines the state of the nation's economic health—and with which government planning is so vitally concerned—is increasingly finding its immediate source in the financial institutions. To a significant extent, therefore, the Canadian economy's prosperity—and the condition of employment—is influenced by the skill and wisdom with which this heavy investment responsibility is discharged.

Another important aspect of the phenomenal growth of the insurance industry during the past decade, is the security and peace of mind which is afforded Canadian families through life insurance protection. During the year 1949 the amount of benefit payments exceeded $200 millions. This in itself must have been of no inconsiderable influence for economic stablization of both the individual citizen and the nation.

The $14.5 billion of life insurance in force in Canada, only slightly exceeds one year's national income. From this it would appear that there is still need—and the opportunity—for continued efforts on the part of the business to increase materially the insurance protection of our people. It is only in the rare instance that the individual purchases life insurance, without first having its advantages impressed upon him by the life insurance salesman. As our society has become more complex, the problem of achieving the maximum benefits most suited to the specific needs of the individual has become increasingly difficult, and the need for the services of competent life insurance salesmen more and more important. Thus it has devolved upon the life insurance industry to build up a highly trained and professional group of life underwriters.

* * *

H. W. MANNING, vice-president and managing director the Great-West Life Assurance Co.

The past year in Canada was marked by the sustained high level of business activity and capital investment. In the United States, after industrial production and prices underwent a sharp but short period of adjustment, business activity has recovered. Prospects in both countries hold promise of continued generally prosperous conditions.

Public purchasing power and the demand for goods and services which influence the volume of general business, continue at very high levels in comparison with any former period. Personal income in both Canada and the United States has been maintained on the high scale of recent years. In addition, personal savings and liquid assets afford a record backlog of reserves. They have been expanding in the face of large expenditures on household and personal goods which had been depleted during the period of shortages. These factors point toward a further expansion in the production of goods and the extension of those services which life insurance affords.

The accelerated growth of population and formation of families have expanded the markets for goods and services beyond any previous experience. The record of production in the past decade has created new visions of the opportunities which lie ahead. Enlarged markets and, in Canada particularly, the development of new resources such as oil, iron ore and water power suggest a new decade of intense activity.

Our economies are mature only in the sense of having realized their power to create new standards of social well-being. In life insurance an institution has been developed which is pre-eminently an instrument of social progress in a democratic society. Through it the voluntary savings of men and women contribute to the progress and development of their country and in return their personal and family security is assured in proportion to their thrift and providence. The public appreciation of life insurance as a basis for financial security has permeated the whole population and with rising incomes individuals and families are increasing their insurance protection.

Life insurance which is fundamentally an institution for service has the primary function of providing policyholders with protection adapted to their individual needs. In its fiduciary capacity it must also safeguard the funds which are entrusted to each company for administration and safe keeping.

* * *

L. C. BONNYCASTLE, general manager, National Life Assurance Co.

In recent years there appears to be a greater awareness of the desirability of keeping employees, and the public generally, completely informed of the details of operations of the life insurance companies. The companies too are sharing in a very broad sense in charitable and educational work, particularly as it applies to medical research. In this connection the responsibilities of the Canadian Life Insurance Officers Association have been greatly enlarged.

The improvement in the past ten years in sales methods was very substantial and a great deal of attention has been paid to the scientific and analytical approach to sales methods. The development of selection procedures, training plans, education in the technical aspects of the business as applied, for instance, to estate analysis work and to business insurance, has meant the growth of a group of career life underwriters and ensures that the purchaser of a life insurance policy receives a product better fitted to his needs and more certain of carrying out his plans for the future.

While the gradual development of governmental responsibility for certain aspects of social welfare must be expected, it is most important that any benefits granted be within the means of the country to provide, that they should be on sound actuarial basis and, where possible, the individual who receives the benefit should share in the cost.

Despite the increase in the volume of insurance in force the future holds exceptional possibilities because not only has the percentage of national income invested in life insurance premiums decreased over the past ten years, but with the increase in the cost of living the need for insurance has increased substantially. Other basic changes in living and economic conditions such as prolongation of the life span, increased cost of education of children and enlargement of the cost factor in other purposes for which life insurance is bought, are significant in this connection. These factors, taken in conjunction with the great prospective future of the country and the anticipated population increase which must be expected in the next half century, seems to indicate an unlimited future for life insurance.

* * *

M. D. GRANT, president the Sovereign Life Assurance Co.

In common with industry in general, the business of life insurance shared in the favorable conditions prevailing in 1949 . . . According to a recently published statement, total new issues of life insurance amounted to approximately $1,600 millions and the total in force at the end of 1949 was stated to be about $14.5 billions. Great as are these totals, it may be noted that during recent years, the national income has increased out of all proportion to prewar figures and that . . . the percentage of national income devoted to life insurance was greater before the war than it has been since. This is a striking fact and is doubtless accounted for by the greater proportion of national income consumed in higher prices, greatly increased cost of living and continuing high taxation.

Apart from the comparative few who carry heavy life insurance, the present coverage per family is inadequate to meet the financial strain following the death of the policyholder . . . Certainly there is not the slightest evidence to support the view that life insurance has reached the saturation point.

A year or more ago there was general expectation that at long last the era of cheap money was drawing to a close. The general level of interest rates had begun to rise. Since then, however, nearly all the increase that took place in 1947-48 has been wiped out. The fact is that interest rates today are arbitrarily controlled and are not the result of forces of supply and demand operating in a free money market . . . Without adequate interest earnings the cost to the public of life insurance must obviously be much higher. And, unfortunately, the outlook for any material rise in interest rates in the near future is not promising.

As an offset to declining interest rates and increased costs of operation, the steady improvement in mortality rates is a favorable factor.

Any estimate of the future course of events must take into account that buoyant economic conditions have prevailed in Canada throughout the past ten years and that the expansion of the Canadian economy during that period has been truly remarkable. If the rest of the world were normal, this outstanding record could no doubt be maintained. But the greater part of the world is plagued with deep-seated disorders and unprecedented problems, political and economic, for which no effective solutions are yet in sight.

JOHN G. PORTEOUS

Montreal lawyer, has been elected a director of the Canadian Home Assurance Co.

MATACHEWAN CONSOLIDATED GOLD MINES has purchased a 74% interest in British Matachewan Gold Mines and will conduct surface diamond drilling on the company's 800 acres which lies between Matachewan Consolidated's own property and Young Davidson to the west. On its own property, it is proposed to commence lateral work east and west of the shaft from the 2,300-ft. horizon.

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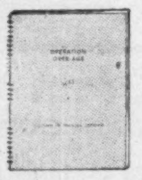

The problem of employees' pension and insurance plans is becoming increasingly important. Employers interested in the subject are invited to write our nearest office for a copy of our 28-page booklet, "Operation Over-Age."

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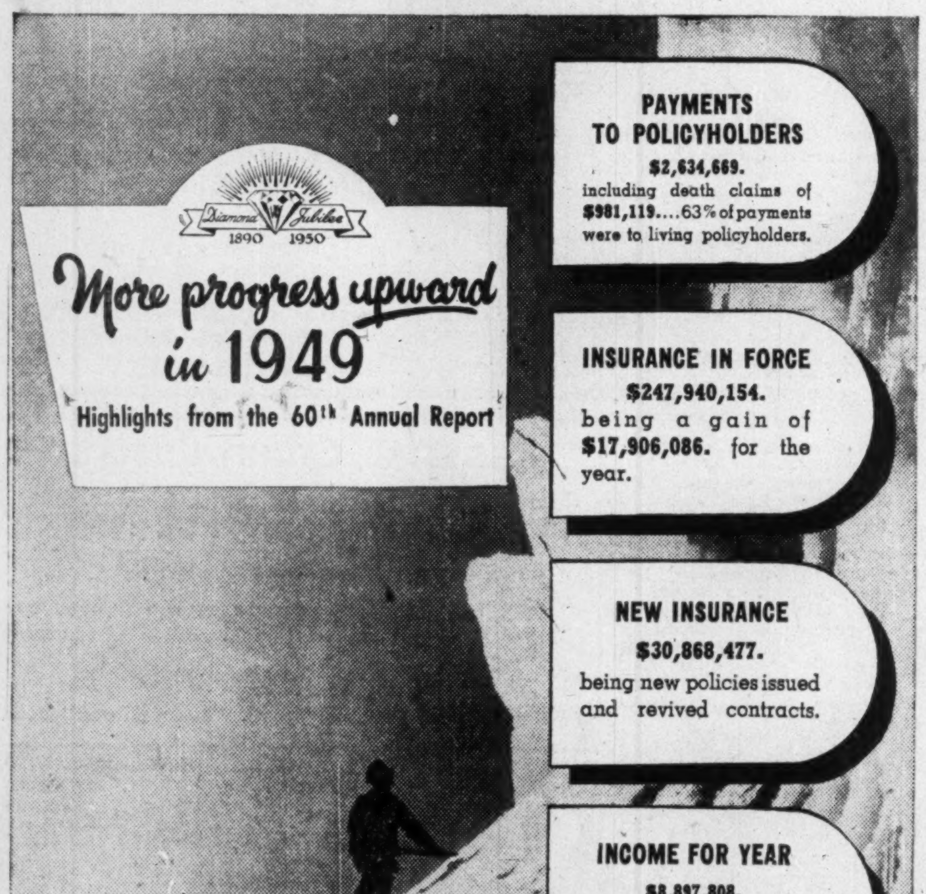

A copy of the Complete Annual Report will be mailed upon request.

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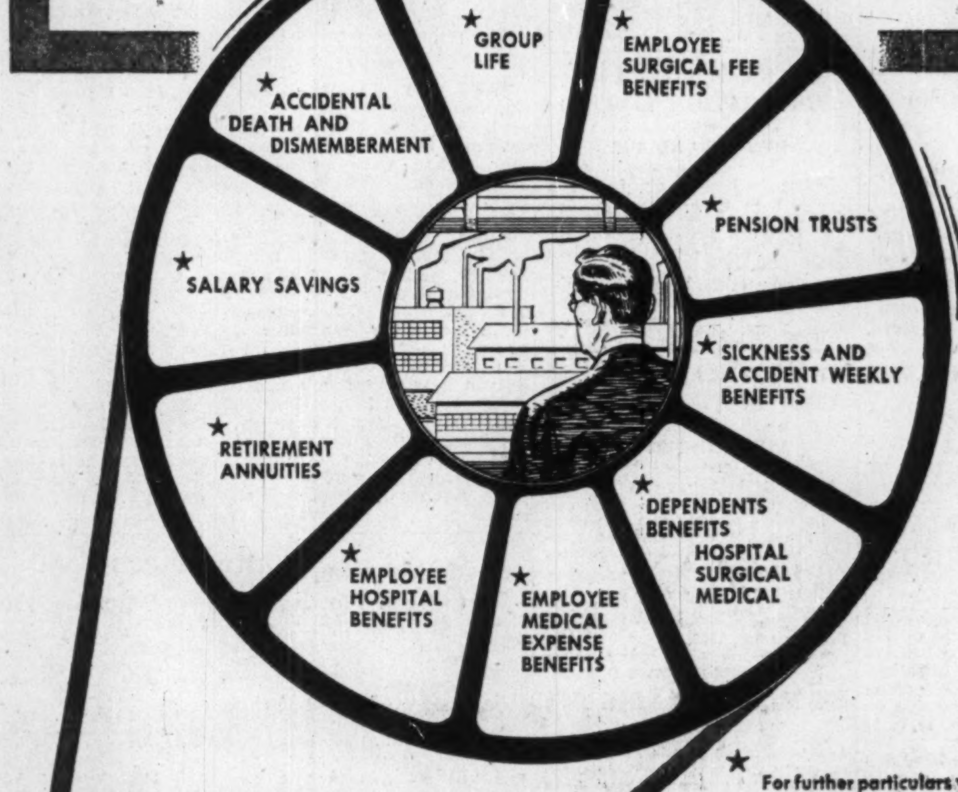

A COMPLETE GROUP INSURANCE SERVICE

For further particulars write or telephone the nearest branch of Confederation Life Association. (There are thirty-seven from St. John's, Nfld., to Victoria, B.C.)

Confederation Life Association
HEAD OFFICE TORONTO

What is Your Future Worth?

Here's Basis of Awards for Permanent Injury

If you were permanently and totally disabled in an automobile accident and could no longer follow your means of livelihood, how would your damages against the offending motorist be assessed?

In one case decided in the Ontario courts recently, an industrial engineer was awarded $29,000. Some years ago, another claimant, a skilled machinist and mechanical engineer, was awarded $165,000, later reduced to $115,000. What is the pattern on which such awards are made?

Court awards in cases where permanent injury has resulted show that factors taken into consideration are fairly consistent.

Usual Considerations

In the most recent case Mr. Justice Keiller Mackay of the Ontario Supreme Court laid down the following factors to be considered in arriving at a reasonable award in such circumstances:

Bodily injuries sustained.

Pain and suffering endured.

Effect on health of the sufferer according to degree.

Pecuniary loss due to inability to carry on business.

Probable prospective permanent or partially permanent disability to prosecute business effectively due to the accident.

Payments or out-of-pocket expenses due to injury.

In the two cases referred to probably the most important consideration was that in the case of the $115,000 award, the claimant had had an income of $18,000 in the last year he worked before the accident. In the later award of $29,000 the claimant, according to the judgment, had had an income of about $2,000 a year.

Must Be Reasonable

Mr. Justice Mackay quoted legal authority to the effect that damages awarded can't be based on the worst that might happen, but should put the injured party, so far as money can put him, in the same position as he had been before. This would include suffering and disability. The court, he declared, must be reasonable. Annuity tables, he said, were helpful in calculating an award but to follow them strictly would be to disregard contingencies such as that an accident might kill a person within a year while on the other hand he might live 25 years. Yet many things might prevent his continuing his work or business.

In the case under consideration it was stated that the plaintiff's many and varied activities had had sometimes indifferent success. Moreover, it was pointed out, business prospects which might be inviting in prospect may be disastrous in actual operation.

The court found that the claimant had formerly been an active man and was now, in all probability, incapacitated for life so that the least extra physical exertion causes distress so that he swallows food with difficulty, his sleep is broken and is possible only in a reclining position under sedatives while he can talk only with difficulty.

Probability of Loss

The court believed that a reasonable probability of future pecuniary loss should be based on a past annual income of about $2,000 a year.

Accordingly the claimant was awarded $1,648 for disbursements he had made, $3,000 for loss of earnings from the time of the accident to the time of trial and $25,000 under all other headings.

Circumstances of the case were that claimant was traveling north through Queen's Park, Toronto, as a passenger in an automobile when the said car was struck in the rear by a Grey Coach Lines Bus. In addition to severe shock and suffering, the injured man claimed his larynx was crushed, twisted, rotated and shifted, in addition to other injuries.

The court in its finding stated that only a post mortem would show the actual extent of the victim's injuries but the unanswerable conclusion was that before the accident the plaintiff was an active man enjoying life in its many activities and is now probably incapacitated for the rest of his life.

The defendant admitted responsibility for the rear end collision but denied the allegations of the plaintiff on the degree of loss and put the plaintiff to the proof.

Bruck Mills Plants Work At Capacity

Plants of Bruck Mills Ltd. have been operating at capacity since the beginning of the current fiscal year, President Gerald L. Bruck told shareholders at the annual meeting. A satisfactory year was in prospect, he believed.

Sales are slightly below the levels of a year ago as a result of styling changes and lower prices. A buyers' market now definitely prevails, he said. Following the meeting he stated that at the present there appeared to be little possibility of any improvement in export business.

The company has declared an extra dividend of 7½c per share on the Class "B" stock, payable along with the regular quarterly dividend of 7½c per share, on March 15, 1950 to shareholders of record Feb. 15.

Directors were re-elected.

Alberta To Stiffen Penalties For Traffic Offenses, No Tests

From Our Own Correspondent

EDMONTON—No drivers' tests, but stiffer penalties for traffic offenders will be sought in amendments to the Motor Vehicles and Highway Traffic Act at the next session of the Alberta Legislature, Hon. C. E. Gerhart, provincial secretary, declares.

This was decided at the fall caucus of Social Credit M.L.A.'s in Edmonton.

Gerhart said that passing of a driving test is no guarantee against accidents and that it did not seem reasonable to inconvenience 800,000 motorists by ordering a system of drivers' tests.

He said higher penalties will be particularly applicable to reckless and dangerous driving, having liquor in cars, and similar offenses. Number of highway inspectors will be increased to ensure more rigid enforcement of traffic regulations.

'Peg Rental Housing Demand at New Peak

From Our Own Correspondent

WINNIPEG — More people are househunting here than a year ago, the local emergency housing division reports, in spite of last year's heavy building program. Applications to the division for accommodation shot to 4,234 in 1949, up from 3,933 in 1948, according to the annual report of Supervisor William Courage. It was possible to place only 320 families, 169 of them in emergency shelter.

Backlog of unfilled orders for "wartime" rental housing is still increasing at the rate of 70 a month, the report said. On file now are 3,000 applications for the latest 400 houses under construction.

CUSTOMS, EXCISE & TRADE

CONSULTANT

GORDON E. HOOPER

Formerly of the Department of National Revenue

295 METCALFE ST., OTTAWA, ONT.

COMPANY REPORTS

DOMINION LIFE ASSURANCE CO. reports gains in business in force, new insurance and total assets in 1949. The company celebrated its 60th anniversary by reporting insurance in force at $404.5 millions, a gain of $33.2 millions with new insurance up $1.5 million at $60.4 millions.

A. S. Upton vice-president and managing director at the annual meeting stated that the average policy issued in 1949 reached an all-time high at $5,172. "This figure is substantially higher than the average policy being written by other Canadian companies "he stated, and added: "In recent years, our out-of Canada business has shown vigorous growth and in 1949 made substantial contribution to a record year. The Canadian branches however, were well represented and in fact, accounted for approximately three-quarters of the new assurances referred to."

Mr. Upton also pointed out that the increase of $33 millions in insurance in force was accomplished after writing down business payable in sterling to $3 to the pound.

Total assets on Dec. 31 were $91.2 millions an increase of $6.3 millions in 1949. The directors reported that there is no overdue interest on securities owned and no bonds or debentures in default. Mortgages increased by over $3 millions to $21.7 millions, by far the greater percentage of new loans being on housing properties. Interest earned on invested assets was 3.71%, (3.59% in 1948.) Policy payments were $4.7 millions ($4.9 millions in 1948).

	1949	1948
Insurance in force	$404,496,481	$371,282,341
New insurance ...	60,419,550	58,951,108
Total income	16,500,036	15,466,813
Premiums	10,967,510	10,333,637
Int. divds. rents	3,038,982	2,803,946
Policy payments .	4,715,042	4,921,832
Funds withdrawn.	1,435,454	1,442,976
Expenses	2,881,700	2,733,684
Divd. to sh'holders	48,000	......
Liab. to p'holders	86,029,449	80,201,165
Liab. to sh'holders	414,659	440,362
Other liabs.	1,979,986	1,554,083
Surplus	2,789,706	2,665,437
Total assets	91,213,800	84,861,047
Int. earned	3.71%	3.59%
Inc. in pol. res'ves	......	......

NORTHERN LIFE ASSURANCE CO. shows increases in 1949 in insurance in force, new insurance, total income and assets.

Total new business for the year was over $17.2 millions, an increase of about $1.2 million. Business in force totaled almost $117 millions on Dec. 31. In addition to this, the company has in force annual premium deferred annuity business representing $3.1 millions of life insurance. Loss of business in force through lapsation, surrender, etc., was moderate and strong efforts for reinstatement were successful in many cases, the report states. If revivals are added to the new business produced, the total effective new business is $19.2 millions and the gain in business in force, $9.9 millions, ($9.2 millions in 1948).

Average size of policy issued in 1949 increased to $4,025 and average size of policy in force at the end of 1949 was $2,657 ($2,525 at end of 1948). Total assets rose $1.5 millions to $22.2 millions. Average rate of interest earned on invested assets was 4.06% (4.05% in 1948). Mortality losses were the lowest on record for the company, 1949 being the fourth year the company has experienced lower than average mortality.

	1949	1948
Insurance in force	$116,999,373	$110,221,404
New insurance ...	17,208,243	15,834,468
Total income	3,719,137	3,557,226
Premiums	2,602,756	2,420,172
Int. divds. rents	862,430	844,302
Policy payments .	1,280,093	1,318,143
Expenses & taxes.	822,928	765,252
Other payments ..	124,358	118,474
Inc in ledger assets	1,491,760	1,355,357
Liabs. to pol'hlders incl. actuar'l res.	20,412,663	19,048,133
Other liabs.	319,252	275,365
Liab. to sh'holders	312,637	293,348
Sp. reserves	516,210	429,611
Total assets	22,261,724	20,666,999
Surplus	700,662	620,542
Int. earned (net) .	4.06%	4.05%

ROYAL TRUST CO. net profit of $522,831 for 1949 was 8.95% above the 1948 net of $479,841. Gross earnings established a record high at $4,208,000, up $246,000 from 1948. Expenses before taxes increased by $180,000 to $3,412,000 while taxes of $273,000 represented an increase of $23,000 over 1948.

Liabilities to the public amounted to $29,311,828 ($23,048,287 in 1948) and were secured chiefly by liquid assets of $33,804,797 ($28,068,043) and mortgages of $2,479,101 ($2,028,012).

Assets under administration, consisting chiefly of funds and investments of estates, trusts and agencies but including company's own and guaranteed accounts amounted to $1,002,462,713 ($958,314,516).

	1949 $	1948 $
Liab. to public, etc.*	29,311,828	23,048,287
Shareholders' equity .	8,133,055	8,010,224
*Secured by:		
Mortgages	2,479,101	2,028,012
Realty for sale	1	1
Office premises	1,160,984	962,455
Liquid assets‡	33,804,797	28,068,043
Total	37,444,883	31,058,511
‡Includes stock and bonds, and $191,033 stocks of subsidiary companies in each yr.		
Estates account	965,017,830	927,246,623
Sec. against cont. liab.	......	9,382
Net profit	522,831	479,841
Earned per share ...	$5.23	$4.80
Paid	3.20+0.80	3.20+0.60

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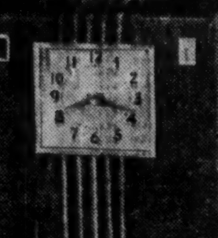

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FORD OF CANADA SETS ALL TIME CANADIAN SALES RECORD IN 1949*

FORD of CANADA . . . 88,044 CARS AND TRUCKS

MAKER "B" . . . . 77,876 CARS AND TRUCKS

MAKER "C" . . . . 57,508 CARS AND TRUCKS

* Based on complete 1949 Government new car and truck sales statistics.

Ford MONARCH

FORD MOTOR COMPANY OF CANADA, LIMITED

MERCURY LINCOLN Meteor

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

WEEK ENDING FEBRUARY 10

Range 1949-50 High	Low	Div R'te $	Feb10 Y'ld %	Company	Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
24¼	9¾	†.50+.50		Abitibi	35212	22¼	24¼	22¼	23¼
23¾	16	1.50	6.5	Do. $1.50 pf.	11465	23	23	22¾	23
25	19¾	1.00+■1.15		Acadia At. A	920	24¾	25	24¾	24¾
105	98¾	5.00	4.9	Do. 5% pref.	95	103¾	105	103¾	105
15	7	■.50		Acme Glove	305	8	10¼	8¼	10
9¼	7¾	.60	6.7	Agnew Surp.	590	8¾	9	8¼	9
15	12¾			Algoma Steel	4160	14¾	14¾	14¼	14¾
27	25	1.00	3.8	Alum of Can p	515	26	26¼	26¼	26¼
61¾	40¾	2.40	4.4	Aluminium, n.	3098	55¼	55¼	53	53¼
9	6¼			Amal. Electric	50	8¼	8¼	8¼	8¼
7¼	4¼	■▲.40		Andian Nat.	347	5¼	6	5	6
18	14	■1.00		Ang. Nfld.	450	14¼	15	14¼	15
8	5¼	.60	7.7	Argus	1620	7¾	7¾	7¼	7¾
78	60	4.50	6.0	Do. 4½% pf.	125	75	75	75	75

Range 1949-50 High	Low	Div R'te $	Feb10 Y'ld %	Company	Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
19	15	1.20	6.6	Gatineau Pwr.	445	18	18¼	18	18¼
107	100¼	5.00	4.	Do. pref.	50	107	107	106½	107
110¼	108¼	5.50	5.0	Do. 5½%	60	110¼	110¼	110¼	110½
2.75	1.55			Gen. Bakeries	675	2.50	2.50	2.37½	2.50
33	16¼	1.00	3.3	Gen. Prod. A	75	30	30	29½	30
18¾	13	†.25		Gen. St. Wares	1300	18	18¼	18	18¼
106	99¼	5.00	4.7	Do. pref.	....	105¼	105¼	105	105¼
103	80	■6.00		Goodyear Tires	20	91¼	91¼	91¼	91¼
53¼	50¼	2.00	3.8	Do. pref.	549	52½	52½	52½	52½
10¾	9¼	.50	4.9	Gor MacKay A	600	10¼	10¼	10¼	10¼
16	9¼	1.15	7.5	Gt. Lakes Pap.	4069	14¾	15¾	14¾	15¾
43¼	34	2.50	5.8	Do. A pref.	470	42	43¼	42	43
13	8			Gt. W. Saddlery	65	10¼	10¼	10¼	10¼

Range 1949-50 High	Low	Div R'te $	Feb10 Y'ld %	Company	Sales	Last Feb. 3	Week end. Feb. 10 H	L	Cl'se
26¾	20½	1.00	4.2	Weston George	1510	24¾	24¾	24	24
101½	90½	4.50	4.5	Do. 4½% pf.	68	101	101	100¼	101
19¼	17¼	1.00	5.6	Wilsils	325	18	18	18	18
19	12		...	Windsor Hotel	1065	15¾	19	16½	17
38	27	■1.40	..	Winnipeg Elec.	1353	34	34	33½	34
101	97	5.00	5.0	Do. pref.	135	100	100	99¾	100
120	110	7.00	6.1	Wood, A & J p	10	116	115½	115½	115½
20	15	1.60	10.7	Wool Combing	25	15¼	15	15	15
3¼	1¾		...	York Knit. B	100	2½	2⅜	2⅜	2⅜
67	39	2.00+†.50		Zellers	1760	56½	67	58½	65
29½	27¼	1.50	5.4	Do. 6% pref.	20	28½	28½	28	28

*On arrears. ▲N. Y. funds. ▲▲Participating div. *Net after income taxes. •Dividend deferred. ♦After stock split. ■Paid in 1949. ♦Plus extras. ‡Plus payments on arrears. †Paid or payable in 1950.

Mining Stocks

Week Ended February 10

Range 1949-50 High	Low	Div. Rate $	Feb. 10 Yield %	Company	Sales	Last Feb. 3	Week Ending Feb. 10 High	Low	Close
.61	.48	.....	....	Acadia Uran.	1,000	.52½	.52	.52	.52
.85	.55	.....	....	Akaitcho	1,200	.76	.76	.76	.76
.27	.12	.....	....	Amal. Lard.	14,100	.16	.20	.16½	.17
.65	.25	.....	....	Amer. Neph.	500	.59	.57	.57	.57
.20	.07	.....	....	Amer. Y.K.	11,500	.08	.08	.07	.07½
.70	.16	.....	....	Anacon L'd.	198,300	.66	.70	.65	.67
10.75	8.65	†.15	....	Anglo-Hur.	10	9.65	9.40	9.40	9.40

Oil Stocks

Range 1949-50 High	Low	Div. Rate $	Yield %	Company	Sales	Last Feb. 3	High	Low	Close
.42	.17½	.....	....	Phillips P.	11,700	.15	.21	.20	.20
.53	.23	.....	....	Princess P.	41,400	.04½	.04½	.04	.04½
.13	.05	.....	....	Roxana	31,600	.38½	.39½	.37½	.38
9.90	5.85	▼.25½	....	Royal Can.	10,000	.37	.37	.31	.36
.15	.05½	.....	....	Royalite	19,310	.06½	.07	.06½	.06½
.23	.10	▼.01	....	Share Oils	4,000	9.05	9.30	9.00	9.15
.45	.20	.....	....	So. Brazeau	21,600	.06	.06	.06	.06
.38	.15	.....	....	So. West Pete	1,100	.12½	.12½	.11½	.12
.20½	.12	§.01½	....	Spooner	1,100	.40	.40	.35	.40
.53	.29	.....	....	Sunset	3,500	.15	.19	.18	.18
.51	.29	.....	....	Superior	27,100	.19½	.20	.19	.19
.35	.08	.....	....	Tower Pet.	94,200	.44	.44½	.42	.43
.26	.08	.....	....	Turner V.	10	.45	.50	.41½	.41½
.30	.18	.....	....	United Oils	42,855	.16	.10	.10	.10
.32	.15	.....	....	Vanalta	10,200	.25	.25½	.22	.22
.20	.02½	.....	....	Vulcan	68,070	.27	.29	.28	.28
.12½	.06	.....	....	Warner	5,000	.25	.32	.24	.30
		.....	....	York Oils	100	.03½	.03	.03	.03
						.07½	.08	.08	.08

* N. Y. funds. ‡ Extra. ▼ Paid or payable in 1949. § Paid in 1948. ‡ Capital Distribution. † Payable in 1950.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Feb. 13	105,500	873,000	134,992	73,934	....
Feb. 11	71,100	608,000	43,172	30,431	1,020,000
Feb. 10	197,300	882,000	93,249	60,636	2,170,000
Feb. 9	170,800	904,000	97,305	58,045	2,140,000
Feb. 8	179,600	1,245,000	103,166	75,130	1,760,000
Feb. 7	189,200	1,087,000	88,785	99,898	1,690,000

STOCKS NOT TRADED THIS WEEK

Company	Div. Rate $	Last sale	Feb. 10 Bid	Ask
Gould Pumps	1.00	65¼	..	..
Grafton & Co. A	1.00	19	19	19¾
Grand & Toy	.60	16¼	16	..
Gt. West Coal	1.25	26	21	21
Gt. West Felt	†.30	6	6¼	8
Do. pref.	.50	6	6	8
Gt. West Life	20.00	465	460	470

BUSINESS BAROMETER

	JAN.	DEC.	NOV.	OCT.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total expend.	....	200.3	200.0	175.6	170.2
Dom. total rev.	....	199.6	194.6	201.7	220.2
MERCHANDISING					
■Dept. store sales (3)	+4	+5	+3	+1	
Country store sales (3)	....	....	—4.1	—2.1	....
Retail store sales (3)	....	....	+6.1	+2.2	....
Wholesale sales index (1)	....	....	306.7	314.8	313.8
FINANCE					
Dividend payment index (1) (5)	213.8	217.8	215.4	215.2	215.9
Money supply (millions $)	....	....	4,376	4,377	4,327
NEWSPRINT CAPACITY					
Production ratio (7)	....	98.4	101.2	100.9	104.7
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.) (1)	....	182.8	157.1	149.9	211.0
Cars (D.B.S.) (1)	....	158.3	151.2	140.3	166.3
COST OF LIVING					
D.B.S. (1)	161.0	161.5	161.7	162.2	159.6
EMPLOYMENT INDEX					
■All industries (6)	....	201.5	202.0	202.2	204.3
Payrolls (June 1/41=100) (2)	....	223.8	224.2	223.1	216.9
MANUFACTURING					
Inventories (1947=100)	....	....	125.3	126.2	128.0
Employment (6)	....	....	206.5	208.5	208.3

	1949-50	1948-49	1949-50 Jan. 1 to date	1948-49 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
■Carloadings (week Feb. 4)	67.7	72.8	316.0	360.7	—12.4
C.N.R. gross rev. (Dec.)	45,270	45,020	500,723	491,270	+10.8
C.N.R. net rev. (Dec.)	5,277	6,203	22,222	26,530	—16.2
C.P.R. gross rev. (Dec.)	30,116	31,077	363,252	355,250	+2.3
C.P.R. net rev. (Dec.)	3,116	1,883	20,632	18,419	+11.5
IRON AND STEEL PRODUCTION (000's omitted) (Nov.)					
Pig iron production (tons)	157	167	1,982	1,947	+1.8
Steel production (tons)	260	278	2,923	2,921	+0.1
CONSTRUCTION (000's omitted)					
Contracts awarded (Dec.)	121,523	55,992	1,140	954,082	+19.5
Cement prod., bbls. (Nov.)	1,374	1,256	14,820	12,954	+14.4
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Dec.)	1,628	1,721	19,957	22,385	—10.9
Flour exp., bbls. (Dec.)	753	1,028	9,698	12,378	—21.7
Wheat exp., bush. (Dec.)	17,614	13,580	210,384	135,641	+55.1
■Cattle sales (Jan.) (4)	134.1	122.4	134.1	122.4	+9.5
■Hog sales (Jan.)	358.4	334.3	358.4	334.3	+7.2
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Dec.)	69.0	89.4	1,176.8	1,277.4	—7.9
Landed value (Dec.)	3.2	3.2	53.7	60.0	—10.5
NEWSPRINT (000's omitted)					
Production (Dec.) (7)	415	420	5,176	4,983	+3.9
Exports, tons (Dec.) (7)	435	370	4,380	4,128	+6.1
MINING AND OILS (000's omitted)					
Coal prod. (tons) (Dec.)	2,088	1,893	17,271	16,610	+3.9
Gold prod. (fine oz.) (Oct.)	366	307	3,378	2,891	+16.5
■Petroleum prod. (bbl.) (Oct.)	2,060	1,207	17,789	9,859	+80.4
ELECTRICAL POWER OUTPUT (000,000 omitted) (Dec.)					
■Total monthly kwh	4,040	3,965	46,673	44,569	+4.7
FOREIGN TRADE (millions of $)					
Imports (Nov.)	239.6	238.2	2,547.8	2,405.0	+5.9
Exports (Dec.)	285.5	316.4	2,993.0	3,075.4	—2.7
FINANCE (millions of $)					
Bank debits (Dec.) (8)	8,396	7,800	87,554	80,687	+8.5
■Bond sales (Jan.)	220.5	169.8	220.5	169.8	+29.9
■Life insurance sales (Dec.)	111.6	113.3	1,262.6	1,207.8	+4.5
OTHER INDUSTRIAL FACTORS					
Shoe prod. (Nov.)	3,076	3,009	33,745	29,623	+14.0
Cigarette cons. (000,000) (Nov.)	1,539	1,479	20,872	19,328	+7.9

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago, latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt Thomson, ec.
(6) Base period 1926=100.
(7) Includes Newfoundland.
(8) Includes debits in St. John's, Nfld., since April only.

Unlisted Stocks

(Compiled from quotations by Kippen & Co., Montreal and Intercity Securities Ltd., Toronto)

Feb. 13, 1950

Company	Bid	Ask
Allens Toronto units	42.00	....
Anglo Can. Telephone A	10.25	11.00
Ash Temple Co	4.25	5.25
Ashdown Hdwre B	13.75	....
Beach Foundry pfd.	....	....
Beauharnois L. H. & Pr.	20.00	20.75
Beauharnois Power	6.00	8.50
British Mtge. & Trust	194.00	....
B. C. Sugar	90.00	92.00
Can. General Invest.	17.65	18.00
Candn. Gen. Sec. C	7.00	....
Can. Investment Fund	5.00	5.40
Can. Investors Corp.	10.00	....
Can Motor Lamp	12.25	13.75
Can. Silk Products A	23.25	24.25
Can. West. Nat. Gas com.	60.00	....
Do. pfd.	18.75	20.00
Capital Wire Cloth com.	14.25	....
Chase, A. W. units	53.00	56.00
Colonial Steamships com.	125.00	135.00
Commercial Finance com.	17.00	....
Commercial Life 10% paid	10.75	....
Continental Life 20% paid	45.00	....
Cooksville A	11.25	12.50
Do. B	5.50	6.75
Corporate Investors	8.83	9.52
Cuban Can. Sugar com.	5.00	6.00
Detroit Internatl. Bridge	16.25	17.25
Dover Industries Ltd.	9.50	10.50
Dunlop Tire pfd.	25.00	26.00
Dupuis Freres pfd.	25.00	....
Empire Life 25% pd.	17.00	19.00
Foreign Power Co.	6.00	8.00
Galt Brass com.	31.00	....
Goderich Elev. & Trans.	15.50	16.25
Great West Life	455.00	470.00
Guardian Realty pfd.	54.00	....
Guaranty Co. of N. A.	385.00	415.00
Hart Battery com.	8.25	9.50
Husky Oil & Ref.	4.25	5.00
Imperial Life	345.00	365.00
Lambton Loan & Inv. $50 p.	83.00	....
Laprairie com.	2.00	4.00
Do. pfd.	98.00	....
Loblaw Groc. Inc.	21.75	22.75
Manufacturers Life Inc.	340.00	365.00
Medical Arts Bldg.	34.00	40.00
Mon. Life Assoc. 40% paid	134.00	140.00
Mountainview Apts. pfd.	26.00	....
Nat. Drug & Chem. com. N.	8.50	9.25
Do. pfd.	10.00	12.00
New Brunswick Tele.	11.00	12.50
Northern Tel. com.	1.50	1.80
Ont. Jockey Club	1,400.00	1,600.00
Ont. & Que. Ry 5% cap stk	141.00	....
Peller Brewing com.	2.10	2.60
Do. pfd.	15.50	....
Prov. Bank of Canada	16.00	16.75
Prudential Trust	11.00	....
Ritchie Cut Stone pfd.	8.25	9.00
Rosedale Golf	135.00	....
Sawyer Massey com.	2.75	3.75
Seiberling Rubber com.	5.00	6.00
Sincennes McNaught. Tugs	2.00	3.00
Sherbrooke Trust	140.00	....
Sovereign Life 25% paid	49.00	....
Standard Fuel pfd. 4½	35.50	37.50
Do. com.	3.00	5.00
Sun Life Assce.	520.00	535.00
Third Can. Gen. Inv.	4.15	4.45
Toronto General Ins.	6.00	8.00
United Farmers Co-op.	2.00	3.50
United Steel A pfd.	24.00	25.00
Victoria Trust & Svgs.	140.00	....
Waterloo Manuf. com.	5.50	6.75
Waterloo Trust & Savings	124.00	127.00
Western Assurance com.	72.00	....
York Trading com.	10.50	12.00

Stocks Not Traded This Week (Continued)

Company	Div. Rate $	Last sale	Feb. 10 Bid	Ask
Hunts B	†.10	9	7¼	9
Huron & E. Mt.	5%	121	122	..
Do. 20% pref.	5%	24	23	25
Imp. Varnish	1.00+■.10	16¼	15¼	17
Do. pref.	1.50	31¾	30¾	..
Ingersoll M. & T.	.50	7¾	8	8¼
Inter'c. Coal	†1.00	25	..	26
Int. Nickel pref.	▲7.00	147	145	..
Do. $5 pref.	..	7¼	..	..
Int. Paints pref.	1.20	22	..	..
Int. Pap. pref.	▲4.00	111½	114½	116½
Invest. Found. pf.	3.00	51	50½	52
Un. Distill.	†1.00	25	..	26
Viceroy	†.20	12¼	13	14¾
Vir. Dare 5% pref.	1.25	18	19½	20
Waterous Ltd.	†.10	5¼	5¼	5¼
Wellington Fire	3.50	70	..	90
West. Brew.	1.60+■.25	29½	30	..
West. Grain pref.	..	30	23	..
West. Grocers pf.	1.40	32¼	32¼	32¼
West Koot. pref.	7.00	172	166¼	..
W'minster Pap. A	.50	8.50	8.50	9.00

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Feb. 14, 1950

%	Due	Bid	Ask
Victory Loans:			
3	June 1951 ...	101¼	101½
3	Mar. 1954 ...	103	103¼
3	Nov. 1956 ...	103	103¼
3	May 1957 ...	102¼	102¾
3	Jan. 1959 ...	102¼	103
3	June 1960 ...	102¼	103
3	Feb. 1962 ...	102¼	102¾
1½	Nov. 1950 ...	99¾	100¼
3	Oct. 1963 ...	102¾	102¾
3	Sept. 1966 ...	102½	103
Dom. of Can. Bonds:			
3	June 1958 ...	102¼	102¾
3½	Feb. 1952 ...	102¼	102¾
3	June 1955 ...	100½	100¾
3½	June 1966 ...	103½	104
3	Perpetual ..	†101¾	101¾
Dom. Guaranteed Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	101¼	102¼
4½	Feb. 1956 ..	▪124½	125¾
4½	July 1957 ..	♦126½	128
5	Feb. 1954 ...	109½	110½
4¾	June 1955 ..	▪124½	125¾
2¾	Jan. 1967 ...	98¾	100¼
2¾	Sept. 1969 ...	99½	100½
3	Jan. 1966 ...	101¾	102¾
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	▪124	125
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ..	▪114½	116½
4	Jan. 1962 ..	▪124¾	126¾

%	Due	Bid	Ask
Provincial Govt. Bonds			
Alberta:			
3½	June 1950/71.	100	100¾
3½	June 1950/72	♦110	111
British Columbia:			
4½	Jan. 1960 ..	♦132¾	134¾
5	Sept. 1953 ...	106½	107¾
3	Dec. 1960 ...	99½	100¾
3	June 1964 ...	98¾	100¼
5	Sept. 1959 ..	♦129½	131½
B. C. Power Comm.:			
3	Oct. 1967 ...	98½	100
Manitoba:			
4	Dec. 1957 ..	♦118½	120½
4½	Dec. 1956 ..	♦121½	123½
5	Dec. 1959 ..	▪129½	131½
5½	July 1958 ...	116½	117¾
3	Oct. 1965 ...	98¾	100½
New Brunswick:			
4½	Apr. 1961 ..	♦121½	123½
2¾	June 1966 ...	89	91
3½	May 1957 ...	98½	100½
3½	Sept. 1965 ...	98¾	100¾
Nova Scotia:			
3½	June 1956 ...	101½	102¾
4½	Nov. 1960 ..	♦125½	127½
5	Mar. 1960 ..	♦129	131
3	June 1956/58.	99¾	101¼
2¾	Sept. 1966 ...	95	97
3½	June 1963/65.	101½	102¾

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69.	96½	97½
3½	May 1952/55.	101¾	102½
4	June 1962 ..	▪124½	126½
4½	June 1950 ...	100½	101¼
4½	Jan. 1962 ..	♦129½	131½
2¾	July 1967/77.	94½	96½
3	Nov. 1963/65.	99¾	101¾
5	May 1959 ..	▪130¾	132¾
Ont. Hydro Commission:			
4	Aug. 1957 ..	▪119½	121½
2¾	Oct. 1965/68.	95½	97½
3	Dec. 1963/65.	100	101
3	Nov. 1967/69.	99¾	100¾
Prince Edward Island:			
3½	Dec. 1961 ...	101½	102½
Quebec:			
3½	Mar. 1954/59.	103	104
3¾	Feb. 1952/55.	102¾	103¾
4½	Aug. 1958 ...	108½	109½
▪4½	Jan. 1963 ...	113½	114¾
4	Nov. 1950/52.	100¾	101¾
3	Sept. 1962/64.	99¾	101¾
Quebec Hydro Commission:			
3	Feb. 1969/73.	98¾	100¾
3	Dec. 1958/60.	100½	101
Saskatchewan:			
4	Nov. 1955/60.	101½	102¾
5	Aug. 1958 ...	108½	110½
4½	Mar. 1960 ..	♦118½	120¾
5½	Oct. 1952 ...	104¾	105¾
6	Mar. 1952 ...	104¾	106½
5	Dec. 1959 ..	♦121¾	123¾
3	Mar. 1963 ...	94	96
3½	Nov. 1960/62.	95¾	97¾
3½	Oct. 1962/65.	101½	102¾

†Callable on or after Sept. 15, 1966. ♦Payable Can. or N. Y.
▪Payable Can., N. Y. or £.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 10	Milling 4	Oils 5	Textiles and clothing 10	Food and allied prod. 15	Beverages 10	Bldg. mater. 16	Power and traction 12	Banks 8	Total utilities 16	Total co's 106
*1935 to date:												
High	247.7	287.9	149.7	123.7	221.9	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1949: Monthly Figures:												
Jan.	234.1	257.1	96.4	75.9	214.3	115.2	294.5	143.0	108.2	132.6	119.2	114.3
Feb.	224.1	244.1	89.8	68.7	203.1	113.6	281.5	139.7	105.7	131.0	115.1	108.1
Mar.	217.5	236.7	85.9	69.5	205.9	112.0	276.1	137.4	106.4	131.0	113.7	106.4
Apr.	211.9	234.2	88.4	70.8	205.7	111.9	274.4	139.6	109.7	132.4	115.7	106.4
May	208.4	227.4	84.2	70.2	204.2	112.8	275.7	136.3	107.4	132.4	113.5	105.3
June	184.7	210.8	85.3	63.8	196.0	111.8	273.3	131.4	104.1	131.0	109.2	99.6
July	198.8	221.4	89.6	66.6	202.2	112.9	292.4	137.0	108.4	130.7	114.3	104.2
Aug.	209.5	230.6	90.2	68.8	204.6	114.6	306.7	140.0	111.2	133.3	119.5	108.2
Sept.	213.1	240.1	93.0	68.9	204.8	116.0	312.5	143.0	112.8	135.2	122.7	109.6
Oct.	221.4	259.0	95.8	75.4	206.4	122.0	329.6	151.4	111.7	139.8	121.9	114.3
Nov.	231.0	274.3	91.8	82.6	219.9	123.5	336.5	158.6	112.2	142.2	121.6	118.2
Dec.	231.5	279.4	88.5	82.4	229.9	121.5	345.9	163.2	112.0	140.6	122.5	117.9
1950: Weekly Figures:												
Jan. 5 ..	232.5	291.6	93.6	84.2	233.7	122.5	351.1	170.2	115.1	143.8	125.9	120.1
Jan. 12 ..	232.4	286.5	92.3	83.6	236.2	124.1	352.5	169.8	115.0	142.6	123.9	119.3
Jan. 5 ..	232.5	291.7	93.6	84.2	233.6	122.5	351.1	170.2	115.1	143.8	125.8	120.1
Jan. 12 ..	232.4	286.6	92.3	83.6	236.1	124.0	352.5	169.8	115.0	142.6	123.9	119.2
Jan. 19 ..	231.7	285.2	88.1	83.0	237.9	125.0	353.2	169.7	114.6	142.9	124.2	119.1
Jan. 26 ..	229.5	281.0	88.7	80.2	232.2	123.4	347.1	166.7	114.2	142.8	123.3	117.5
Feb. 2 ..	233.9	285.0	89.7	81.6	233.4	123.6	349.7	168.7	115.4	143.6	124.9	118.6
Feb. 9 ..	228.0	295.0	85.4	81.5	232.1	124.5	356.2	172.3	116.5	142.8	125.7	119.0

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Feb. 13	210.23	98.99	108.12	59.96
Feb. 11	210.76	99.14	108.76	61.14
Feb. 10	210.72	98.79	108.78	61.31
Feb. 9	210.67	98.25	109.14	62.99
Feb. 8	209.03	98.41	109.02	63.57
Feb. 7	208.94	98.79	109.64	63.32
Month ago ..	206.28	101.74	110.17	63.09
Year ago	171.74	97.49	100.16	51.13
1949-50 High.	212.14	114.63	114.53	66.29
1949-50 Low.	157.28	87.96	77.42	38.78

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Feb. 13 ...	76.4	141.5	119.8	375.18	64.19
Feb. 11 ...	76.5	141.8	120.1	374.47	64.29
Feb. 10 ...	76.5	141.9	120.1	375.01	63.95
Feb. 9 ...	76.3	141.6	119.8	374.15	63.93
Feb. 8 ...	76.0	140.6	119.1	365.52	64.06
Feb. 7 ...	76.2	139.9	118.6	364.13	64.02
Month ago	75.0	141.0	119.0	372.00	65.31
Year ago .	71.6	123.0	105.8	307.34	66.08
1949-50 Hi.	76.5	146.2	122.7	385.70	84.40
1949-50 Lo.	70.0	109.5	96.3	251.34	60.17

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Feb. 13	....	....	....	....
Feb. 11	203.36	54.78	42.65	73.52
Feb. 10	203.49	54.81	42.75	73.58
Feb. 9	203.80	55.20	42.53	73.70
Feb. 8	202.71	54.79	42.50	73.33
Feb. 7	203.53	54.73	42.42	73.46
Month ago ..	197.17	54.41	40.79	71.51
Year ago	172.16	48.82	34.15	62.37
1949-50 High.	205.03	55.80	42.57	74.08
1949-50 Low.	161.60	41.03	33.36	57.75

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Feb. 14, 1950

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Week Bid
▴Alg. Cen. H.B.R.	5	'59	88½	91½	89
Bell Telephone .	3	'77	98	100½	98
B. C. Electric ..	3½	'67	96½	99	96½
Do.	3½	'69	101	103½	101
Calgary Power .	3½	'72	98½	101	98
East Kootenay .	3¾	'67	91	...	91
‡Gatineau Pr. D.	3½	'70	100½	103	100½
Gt. Lakes Pwr. .	3½	'69	99½	102	...
*Int. Hydro-El. .	6	'44	66	69	66
Int. Prov. Pipe Line	4	'70	173	178	170
Maclaren-Quebec Power	3	'69	96½	...	96½
Mtl. Trams. B .	5	'55	98	101	98
Nat. Lt. & Pwr.	4½	'61	100½	103	100½
Nor. Que. Pwr.	4½	'67	99½	102½	99½
Power Corp.	3½	'67	97	...	97
Quebec Power .	3	'62	98½	101	98½
St. Maurice Pr.	3½	'70	99½	102	99½
Shaw. W. & Pr.	3	'61	99	101½	99
Do.	3	'71	97½	100	97½
Do.	3½	'73	101½	104	101½
Union Gas	4½	'50	100	103	100
Un. Fuel Invest.	4	'59	101½	...	101½
United Secs. ...	3	'52	99½	...	99½
Wpg. Electric ..	3¾	'71	102	104½	102
Industrial Issues:					
Abitibi Pr. & P.	3½	'67	101½	104	101½
Acadia Atlantic Sugar	3¾	'65	101	...	101
Aluminum Co. .	3½	'74	102	...	102
Bathurst P. & P.	3¾	'68	99½	...	99½
B. C. For. Prod.	4	'66	92	95	92
B. C. Pulp & Pa.	3½	'67	96	99	95½
Bowater's Nfld. P. & P.	3½	'68	95½	98½	95
Brompton Pulp & Paper	3½	'66	94½	97½	94½
†Brown Co.	5	'59	99	102	98½
Burns & Co. ..	4	'63	98½	101	98½
Can. Steamship	3½	'57	97½	100	96½
Do.	4	'66	98	101	98
Can. Bread	4½	'67	99	101½	99
Can. Brew.	3½	'67	95½	98	95
Can. Celanese ..	3	'62	98	101	98
Can. Oil	3½	'62	99	102	100
Can. W. Lum. ..	4	'62	101	103½	101
C.P.R.	3½	'51	101	...	101
Do.	4	Perp.	112	...	112
Cockshutt Plow Co.	4½	'65	101½	104	101½
Columbia Cell. .	5	'68	102	104½	102
Consol. Paper .	3½	'67	101	103½	101
Dom. Coal	4½	'52	100½	...	100½
Dom. Tar & Ch.	3½	'57	101½	...	101½
Dom. Textile ..	3½	'59	101½	...	101½
Dom. Woolens .	5	'64	96½	100	96½
Dryden Paper .	4	'61	100½	...	100½
E. B. Eddy	3½	'66	99½	102	99½
Do.	4	'66	102	104½	102
English Elec. ..	4	'67	95½	...	95½
Federal Grain .	4	'64	99½	102½	99½
Gt. Lakes Pap. .	3½	'67	100½	...	100½
Imp. Tobacco ..	2¾	'66	98	101	98
Indust. Accept. .	3½	'66	98	...	97½
Lake St. J. P. .	5	'61	101½	104	101½
Laurentian Silk	4½	'67	100	...	100
MacMillan (H.R.) Ex.	4	'65	101	...	101
Maple L. M. ...	3¾	'63	97	100	97
Massey-Harris .	3	'66	96½	99	95½
Do.	4¾	'63	102½	105	102½
McColl-Front. ..	3	'71	95	98	95
Mercury Mills .	4	'63	99½	...	99½
Monarch Knit. .	4	'66	99	...	99
N.S. Steel Coal .	3½	'63	99	102	99
Penman's	3½	'66	100	102½	100
Price Bros.	3½	'66	101½	104	101½
Silv. Dairies ...	4	'60-64	99	102	99
Do.	4	'71	90	93	90
Simpsons Ltd. .	3½	'60	101½	104	101½
Stl. Co. of Can.	2¾	'67	96	98½	96
Tor. Elevators .	3½	'66	99	...	99
United Corp. ..	4	'58	100½	...	100½
United Steel ...	4	'60	99	...	99
Un. Grain Gr. .	4	'63	100	...	100
†Western Grain .	5	'63	84	87	84
York Knit. Mills	3½	'71	90	94	90

*Payable in Canada or United States.
‡Payable in Canada only.
▴Payable in Canada or U. K.
†Payable in Canada, U. S. or U. K.

Company Meetings

1950	Company	Place
Feb. 16	Dom. Oilcloth	Montreal
Feb. 16	Mex. Lt. & Pwr. 6% Cum. Deb. Stock	Toronto
Feb. 16	Mex. Lt. & Pwr. 7% Cum. Pfd. Shs.	Toronto
Feb. 17	Mex. Lt. & Pwr. 4% Cum. 2nd Pfd. Shs.	Toronto
Feb. 17	Mex. Lt. & Pwr. 4% Ord. Shs.	Toronto
Feb. 20	Can. Cement	Montreal
Feb. 21	Burlington Steel	Toronto
Feb. 21	Cardy Corp.	Montreal
Feb. 21	Windsor Hotel	Montreal
Feb. 23	Bell Telephone	Montreal
Feb. 23	Claude Neon	Montreal
Feb. 24	Dom. Bridge	Montreal
Feb. 24	Dom. Fire Ins.	Toronto
Feb. 24	For. Pwr. Sec. Corp.	Montreal
Feb. 24	Zellers	Montreal
Feb. 27	Dexter Red Lake	Toronto
Feb. 27	Frobisher	Toronto
Feb. 27	Mtl. Life	Montreal
Feb. 28	Can. Flooring	Montreal
Feb. 28	London Can. Ins. Corp.	Toronto
Feb. 28	Roche Long Lac	Toronto
Mar. 8	Melchers Distillers	Montreal
Mar. 8	Quebec Pwr.	Quebec City
Mar. 15	Shawinigan Pwr.	Montreal
Mar. 31	Lake Shore M.	Kirkland Lake
Apr. 27	Regent Knit. Mills	Montreal

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
♦Acadia Apts. 1st Mtge. bds.	4%	1939	Mar. 1	100

♦AA, o/s.

Unlisted Mines, Oils

(By the Broker-Dealer Assoc. of Ontario)

Approximate quotations, 3 p.m., Feb. 13, subject to confirmation and change. An asterisk (*) indicates an increase in price, a dagger (†) a decrease in price.

	Bid	Ask		Bid	Ask
Abenakis	3	5	McCuaig	4	5
Advance	3½	4	McManus	5	7
Alexander	2	3	Metalore	*4	5
Ama Kir	5	6	Miles R L	7	10
Anna'que	3½	4	Mindus	11	13
Arctic	4	6	Mink	2	4
Argonaut	2	2½	Mistassini	2	4
Barber N	2	3	Mohawk P	*2½	4
Beacon	52	57	Murmac	5	7
Beaulieu	1½	2½	Nat Mal	64	68
Beauriv	2	4	Nat New	5	6
Bi Ore	*20	25	New Aug	14	16
Biroco	†10	12	Newcore	8	11
Blondor	2	3	New Mal	2½	4
B McDade	5	8	Nickel L	2½	3½
Bour C	4	6	N Offsets	120	145
Bouzanne	*9	11	Nisto	25	27
Braminco	17	21	No-Acme	115	125
Bright R L	1½	3	Norbeau	135	145
Bulldog	*18	20	Norbec	9	11
Burley PO	2	3	Norcourt	2½	3½
Camlaren	3	4	Norford	1½	2½
Camray	7	9	Normar	2	3
Captain	2	3	Novele P	2	4
Cassidy	2½	4	Obalski O	5	8
Cent Man	*5	8	do '45	15½	17
Cock R L	1	2	Obaska	9	11
Columbier	2	3	Oklend	7	8
Con Chib	12	15	Olivet	2½	4
Con Cop	7	8	Opemiska	†18	20
Craibbe	4½	5½	Ortona	4	5
Croydon	1½	2½	Pascalis	13	15
Cuyuni N	34	37	Payne	2½	4
Delhi	6	9	Pelangio	3	4
Derlac	4	5	Phelps	2	3
De Sant	2	3	Presdor	2½	3
Dick'sn n	*66	68	Privateer	12	17
do old	†18	20	Pro Divers	15	17
Doris	2	3	Quejo	6½	8
Durham	7½	10	Que SR	54	58
Echo Ind	2½	4	Quest	†1½	2½
El Bonanz	*7	9	Rand Mal	12	13
Elmac	2	3	Raymond	1½	2½
Erin Kirk	2½	3½	Redruth	3	5
Erndale	*5	7	Redwood	6	7
Flicka	1½	2½	Rhyolite	2	3
Forty For	95	105	Richgroup	4½	6
Gan Cop	3	4	Russet	5	6
Geneva L	2	5	Salmita	3½	4½
Glencona	8½	9	Santiago	9½	10½
Golpac	7	10	S Dufault	5	..
Gov Gold	2	4	Sepha	3	4
Grnd Chib	42	48	Sheldon	11	12
Greenlee	†3	4	Silv Arro	4	5
Grndhog	14	17	Skynner	2	3
Habitant	1½	2½	Snow L	†2½	3½
Halden	4	5	Starlight	1	3
Harker	*2	3	Sunbear	3	4
Hornfault	10	12	Thornhill	1	2
Hugh Pam	25	27	Tobico	3½	4½
Indepent	†5½	6½	Viking	14	17
Insco	6	8	Vinray	2	3
Isle Pine n	21	24	Walcoro	5	6½
Jerome	25	28	Wesley	1	2
Kamlac	13	15	West R L	1½	2½
Ken Bay	4	6	Y Davids	19	21
Kenda Pe	6	9	Yelknife	190	..
Kirk G G	2½	3	do vt	135	..
Lar-Add	5	6	**OILS**		
La Salle	*3½	4½	Crusader	23	26
Lassie	4	5	Franco	60	65
Lavalie	*3¾	4½	Granlduc	6	14
Lennie	1½	2½	Home Oil	†10¾	11½
Lk Expa	6½	7½	Jupiter	16	18
Lower Can	5½	6	Lingnora	*3½	4½
Mallen RL	..	5	Major Oil	3½	4½
Marbenor	10	12	Nw Ranch	2	3
Mar Bird	3	4	Pac Oil R	4½	6
Marquette	2	3	Princess	35	37
Mary An	*10	12	Reef Pet	45	50
Mat Con	37	39	Vermilion	28	31
Mate' Yel	3	5	Westlock	6	8

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$21.31	$21.34	$19.31
Hogs	26.10	26.10	30.10
Copper, lb.	.18½	.18½	.23½
Sugar, raw, lb. .	.0510	.0530	.0515
Coffee, lb.	.48½	.49	.27
Hides	.23	.24	.27
Weekly Indices			
U. S. Labor	151.6	151.2	157.0
Dow Jones	134.35	134.04	135.29
Fisher's	160.4	160.3	168.7
Monthly Indices			
Retail (Jan.)†	161.0	161.5	159.6
W'sale (Dec.)	156.8	157.0	159.6
U. S. (Oct.)	152.2	153.7	165.0
Gt. Brit. (Nov.)	239.7	236.6	220.5

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Municipal Bonds

Feb. 14, 1950

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria ...	3¾	'68	98½	100¼	3.73
Vancouver .	3¾	'69	99½	101½	3.68
Calgary ...	3½	'69	99¼	101¼	3.43
Edmonton .	3½	'69	99¼	101¼	3.43
Regina	3	'64	91	93	3.62
Moose Jaw	3-3½	'60	95	98	3.40
Winnipeg .	3	'69	97½	99½	3.04
Ottawa	3¼	'68	103	105	2.89
Toronto ...	3	'68	99	101	2.92
Hamilton ..	3	'67	98½	100½	2.96
Windsor ...	2½	'75	72	75	4.05
Windsor ...	2¾	'75	76	79	4.05
Windsor ...	3½	'75	88	91	4.05
Montreal ..	3	'70	93½	96½	3.27
Quebec	3¼	'64	99	101	3.42
Halifax	3	'66	95	98	3.15
Saint John .	3½	'65	99	102	3.42

Market Comment

What stocks and bonds are doing and what prominent observers say

The U. S. holiday break and the sinister turn in the U. S. soft coal strike produced fairly heavy selling pressure on Tuesday and, as is so often the case, Canadian markets suffered the worst. But again volume was the greatest on the rally side which is anything but a bearish sign.

The current reduced state of U. S. soft coal stockpiles and the somewhat higher unemployment figures have investors a little more worried than has been the case in past strikes. Although it is not thought likely that President Truman will permit the strike to continue for long, the position is such now, particularly in the case of many railroad companies, where every day represents a grim struggle to stay out of the red. A sudden break in the strike deadlock would likely be the signal for a resumption in the market uptrend.

As the year progresses, the weak spots in the economy will come into clearer focus; the impact of reduced exports, keener competitive practices and somewhat higher unemployment figures, on earnings trend will begin to show up in interim company statements. Investors will be watching these barometors of industrial health with anxious eyes during the next few months. Many companies could suffer their earnings to be cut in half and still meet current dividend rates but whether this will bolster stock prices, were such events to take place, remains to be seen.

This week many investment experts started scanning latest balance sheet figures of Canadian industrial companies looking for any large surplus positions which might be a target for the income tax department. The Financial Post is informed that the list of companies with vulnerable undistributed surplus positions is small.

Western oils stocks were again under pressure this week and some of the discernible added interest that entered gold stocks might represent "switching" by speculative traders. Rarely have both stock groups been able to advance at the same time.

* * *

EARL M. ROBERTSON: Robertson, Malone & Co. (Toronto)

Investors in the better type of securities are confronted at this time with a readjustment in industrial production to counter the falling off of export trade and the necessity of replenishing our surplus in United States funds.

Our industrial capacity for production has increased to such an extent that production in many lines has already become plainly noticeable as surplus, even though the foreign market in these lines has fallen slightly.

Securities representing industrials, which have as yet not made any announcement as to readjustment, and which may later on have to turn over to new production, together with those industrials which cannot at this time make a transition, should be segregated and replaced with those representing industrials, where either a change has been made, or where an entirely new line of production has been started in favor of foreign markets, or a domestic replacement for usual foreign imports.

Canadian industrials must find a continued market both at home and abroad, for a long list of products, owing to the manner in which they are produced, and the continued high costs of production, in order to survive competition with mass production in the United States.

Some of these products are already being produced in Canada, and can be found in the following list:

Diesel Power Units
Stainless Steel Sheets
Electrical Equipment (Heavy)
Steel Pipe Lines
Automobiles & Accessories
Machine Tools & High Grade Steel Products
Machinery (Heavy)
Textiles
Glass Products
Electrical Products (Light)
Lumber Products

A study at this time of corporations with a large undistributed surplus would be in order in view of the widespread interest in the possibility of the Dominion Government exercising its power to enforce distribution.

* * *

KIPPEN & CO. (Montreal)

Over the longer term, we believe that many selected stocks will sell considerably above current levels. At the moment, however, there does appear to be another phase of postwar readjustment ahead of us during the next six months. The market may be subject to some periods of irregularity, which should present favorable opportunities for investors. It seems hard to ignore the fact that good common stocks are still comparatively low in relation to earnings, dividend yields and the yield of high grade bonds.

On the whole the outlook is not unfavorable despite the reiteration in some quarters of the unpleasant, but nevertheless realistic factors, such as, a somewhat serious falling off of our export trade, a rise in unemployment and the apparent insolvable international situation. There is nothing to be gained by ignoring these factors, nor is there anything constructive or profitable in giving them too much weight.

On balance, it would appear that the present market is based on a fair foundation and that good values can be acquired by using informed judgment and selection.

* * *

ROSS WHITTALL LTD. (Vancouver)

We view the market rise this far as the necessary correction to the great mistake of 1946. Indeed, at the time of writing, the 1946 "high" has not yet been reached in spite of the accumulation (savings and capital investment) of three intervening years of peak prosperity both here and in U. S. A.

Given time in which the security derived from existing liquidity and the strong financial position of most companies can become more fully appreciated, we see no reason why "blue chips" should not return an average yield of not more than 5% however with, presumably, an accompanying index figure nearer 220—it is now around 202.

* * *

BARRON'S: The Trader (New York)

Back of the rise in dividends is evidence of good business as well as marked improvement in corporate financial conditions. Normally not available until late in the month, the FRB index for January is tentatively estimated for the Council of Economic Advisers at 182, up 3, from the revised figure of 179 for December, and down 9 from 191 of January 1949. This despite coal and motor strikes. Measured by the FRB index, industrial production has made up close to 60% of the 34-point decline from the postwar peak of 195 in October-November, 1948, to the 161 low of July, 1949.

* * *

Dividends Declared

	This payment $	Date payable	Date of record
Abitibi Pwr. & Pap.	.50	Apr. 1	Mar. 1
Do. pfd.	.37½	Apr. 1	Mar. 1
Acadia At. Sug. A	.25	Apr. 1	Mar. 11
Do. pfd.	1.25	Mar. 15	Feb. 21
Agnew Surpass ...	.15	Mar. 1	Jan. 31
Aluminium Ltd. ...	.60	Mar. 4	Feb. 3
Anglo-Can. Tel. A .	.15	Mar. 1	Feb. 10
Argus Corp.	.15	Mar. 1	Jan. 31
Do. pfd.	1.12½	Mar. 1	Jan. 31
Aunor G. M.	.05	Mar. 1	Feb. 10
Auto Electric	.10	Mar. 15	Feb. 17
Do. A	.12½	Mar. 15	Feb. 17
Bk. Candn. Nat. ...	.20	Mar. 1	Feb. 15
Banque d'Economie	.25	Mar. 1	Feb. 15
Bk. of Montreal ...	.25	Mar. 1	Jan. 31
Bk. of Toronto	.35	Mar. 1	Feb. 15
Barber-Ellis	.62½	Mar. 15	Feb. 28
Bathurst Pwr. A	.50+.50	Mar. 1	Feb. 1
Do. B	.50	Mar. 1	Feb. 1
Beaver Lumber A .	.25	Apr. 1	Mar. 10
Do. pfd.	.35	Apr. 1	Mar. 10
Belleterre Que.	.10	Mar. 15	Feb. 15
Borden Co.	†.60	Mar. 1	Feb. 10
Brewers & Dist. ...	.50	Mar. 1	Jan. 31
Do.	.25	June 1	Apr. 29
Do.	.25	Sept. 1	July 31
B. A. Oil	.25	Apr. 1	Mar. 7
Do. pfd.	0.234375	Apr. 1	Mar. 7
Broulan Porc. M. ..	.02	Mar. 1	Jan. 27
Brown pfd.	1.50	Mar. 1	Feb. 14
Bruck Mills A	.30	Mar. 15	Feb. 15
Do. B	.07½+.07½	Mar. 15	Feb. 15
Burns Co. A & B ..	.40	Apr. 28	Apr. 7
Do. A & B	.40	July 28	July 7
Do. A & B	.40	Oct. 28	Oct. 7
Burrard D. D.	.11	Mar. 15	Feb. 22
Calg. & Ed. Corp. .	.05	Apr. 15	Mar. 10
Can. Cement pfd. .	.32½	Mar. 20	Feb. 20
Can. Crushed Stone	.20	Mar. 20	Mar. 1
Can. & Dom. Sugar	.25	Mar. 1	Feb. 10
Can. Malting	.50	Mar. 15	Feb. 15
	Coup. 89-xc	—	Mar. 14
Can. Packers A	.75	Apr. 1	Mar. 1
Do. B	.25+.50	Apr. 1	Mar. 1
Can. Safeway pfd.	1.12½	Mar. 1	Feb. 15
Can. Vinegars	.20	Mar. 1	Feb. 15
C. Wire & Cable A	1.00	Mar. 15	Feb. 28
Do. B	.50	Mar. 15	Feb. 28
Candn. Brew.	.50	Apr. 1	Feb. 28
Candn. Can.	.31¼	Apr. 1	Mar. 10
Do. 1st pfd. ..	.25+.05	Apr. 1	Mar. 31
Do. 2nd pfd. ..	.15+.10	Apr. 1	Mar. 10
Candn. Car.	.20	Feb. 22	Jan. 31
Do. A	.25	Feb. 22	Jan. 31
Candn. Coll.	.15	Feb. 28	Feb. 14
Candn. Fairb.-M. ..	.50	Mar. 1	Feb. 15
Candn. For. I. Corp.	.50	Apr. 1	Mar. 10
Candn. Food A	.25	Apr. 1	Feb. 28
Do. pfd.	1.12½	Apr. 1	Feb. 28
Can. Int. Inv. Tr. pf.	8.75	Feb. 28	Feb. 14
Candn. Loco.	1.00+1.00	Mar. 1	Feb. 10
Candn. Silk A	.37½	Apr. 1	Mar. 1
Candn. Tire	.30	Mar. 1	Feb. 20
Can. West. Lumber	.10	Apr. 15	Mar. 18
Do.	.10	July 15	June 17
Do.	.10	Oct. 16	Sep. 18
Can. West. Nat. Gas	2.35	Apr. 3	Mar. 27
Can. Wirebound A .	.37½	Apr. 1	Mar. 10
Cap. Wire Cloth ...	.25	Mar. 1	Feb. 12
Celtic Knit.	.50	July 31	July 15
Chatco pfd.	.25	Mar. 1	Feb. 15
Cockshutt Plow ...	.35	Mar. 1	Feb. 1
Do.	.35	June 1	May 1
Do.	.35	Sep. 1	Aug. 1
Do.	.35	Dec. 1	Nov. 1
Commoil Ltd.	.00½	Feb. 25	Feb. 10
Consol. Text.	.20	Mar. 1	Feb. 15
Do. pfd.	.50	June 1	May 15
Consol. Theat. A ..	.13	Mar. 1	Feb. 1
Do. B	.10	Mar. 1	Feb. 1
Cooksville Co. A ...	.15	Mar. 1	Feb. 15
Corr. Pap. Box	.37½	Mar. 1	Feb. 10
Do. pfd.	1.25	Mar. 1	Feb. 10
Consumers Glass ...	.37½	Feb. 28	Jan. 27
Cresc. Creamery pf.	5.00	Mar. 31	Mar. 15
Davis Leather A ...	.37½	Mar. 1	Feb. 1
Do. B	.17½	Mar. 1	Feb. 1
Delnite M.	.02	Apr. 1	Feb. 20
Distillers Seag.	.30	Mar. 15	Feb. 27
Dom. & Anglo Inv. .	1.25	Mar. 1	Feb. 15
Dom. Bridge ..	.40+1.00	Feb. 24	Jan. 31
Dom. Foundries ...	.35	Apr. 1	Mar. 10
Dom. Malting	.25	May 1	Apr. 6
Do. pfd.	1.25	May 1	Apr. 6
Dom. Scot. Inv. pfd.	.62½	Mar. 1	Feb. 15
Dom. Stores	.37½	Mar. 15	Feb. 17
Dom. Tar & Chem.	.25	May 1	Apr. 1
Do. pfd.	.25	Apr. 1	Mar. 1
Donacona Paper ..	.50	Apr. 1	Feb. 28
Do.	1.12½	May 15	Apr. 14
Donohue Bros.	.25	Mar. 1	Feb. 15
Dover Industries ...	.15	Mar. 1	Feb. 15
Eddy Pap. A	.25	Mar. 15	Feb. 18
Electrolux	†.40	Mar. 15	Feb. 15
Equitable Life	.50	Feb. 20	Feb. 15
Fanny Farmer ...	†.37½	Mar. 31	Mar. 15
Fed. Fire Ins. ..	1.00+.25	Feb. 15	Feb. 11
Do.	1.00	Aug. 15	Aug. 11
Ford A	.50+1.00	Mar. 10	Feb. 10
Do. B	.50+1.00	Mar. 10	Feb. 10
A. J. Freiman pfd.	1.12½	Feb. 17	Jan. 9
Gair pfd.	1.00	Mar. 1	Feb. 11
Gord. Mackay A ...	.12½	Mar. 15	Feb. 15
Do. B	.25	Mar. 15	Feb. 15
Gypsum, Lime A ..	.35	Mar. 1	Feb. 1
Do.	.35	June 1	May 1
Do.	.35	Sep. 1	Aug. 1
Do.	.35	Dec. 1	Nov. 1
Hahn Brass	4.00	Feb. 22	Feb. 15
Do. pfd.	.50+4.00	Feb. 22	Feb. 15
Hallnor M.	.07	Mar. 1	Feb. 15
Hamilton Cot.	.25	Mar. 1	Feb. 10
Howe Sound	†.50	Mar. 10	Feb. 15
Hud. Bay M. & S. .	1.00	Mar. 13	Feb. 10
Huron & Erie Mtge.	1.25	Apr. 1	Mar. 15
Imp. Varnish	.25	Mar. 1	Feb. 17
Do. pfd.	.37½	Mar. 1	Feb. 17
Int. Nickel	†.40	Mar. 20	Feb. 20
Int. Utilities	†.25	Mar. 1	Feb. 10
Jack Waite M.	.01	Mar. 18	Feb. 24
Kelvinator	.75	Mar. 20	Mar. 3
John Labatt	.25	Apr. 1	Mar. 15
Lake Shore M.	.20	Mar. 15	Feb. 15
Lake of Woods	.40	Mar. 1	Feb. 1
Do. pfd.	1.75	Mar. 1	Feb. 1
Laprairie pfd.	1.50	Apr. 1	Mar. 15
Laura Secord	.20	Mar. 1	Feb. 1
Loblaw Groc. A & B	.25	Mar. 1	Feb. 1
Loblaw's Inc.	†.20	Feb. 24	Feb. 3
Lounsbury A ..	.12½+.20	Mar. 1	Feb. 10
Do. B	.20	Mar. 1	Feb. 10
Mack, S. S. pfd. ...	1.25	Mar. 15	Feb. 16
Maclaren Pwr.	.50	Feb. 28	Feb. 4
Massey-Harris	.37½	Mar. 15	Feb. 18
Do. pfd.	.62½	Mar. 15	Feb. 18
McIntyre Porc. M. .	.50½	Mar. 1	Feb. 1
Mid. & Pac. Gr. ...	.50	Aug. 1	July 15
J. S. Mitchell	1.00	Apr. 1	Mar. 15
Mod. Containers A	.25	Apr. 1	Mar. 20
H. Morgan pfd.	1.19	Mar. 1	Feb. 15
Nat. Biscuit	†.80	Apr. 14	Mar. 7
Do. pfd.	†1.75	Feb. 28	Feb. 7
Nat. Drug	.12½	Mar. 1	Feb. 10
Do. pfd.	.15	Mar. 1	Feb. 10
Nat. Grocers	.15	Apr. 1	Mar. 15
Do. pfd.	.37½	Apr. 1	Mar. 15
Wm. Neilson pfd. ..	1.25	Mar. 1	Feb. 10
Nfld. Lt. & Pwr. ...	.25	Mar. 1	Feb. 10
Do. pfd.	1.25	Mar. 1	Feb. 10
Noranda M.	1.00	Mar. 15	Feb. 15
New Calumet M. ..	.03	Feb. 17	Feb. 9
Niagara W. W.	.40	Apr. 1	Mar. 1
Normetal M.	.09	Mar. 31	Mar. 3
N.S. Lt. & Pr. 4% pf.	1.00	Mar. 1	Feb. 4
Do. 4½% pf.	1.12	Mar. 1	Feb. 4
Do. 6% pf.	1.50	Mar. 1	Feb. 4
O'Brien G. M.	.05	Mar. 8	Feb. 8
Ogilvie Flour	.25	Apr. 1	Feb. 24
Do. pfd.	1.75	Mar. 1	Jan. 30
Paton Mfg.	.20	Mar. 15	Feb. 28
Do. pfd.	.35	Mar. 15	Feb. 28
Photo Engravers	.75+.50	Mar. 1	Feb. 15
Porc. Reef G. M. ...	*.02	Apr. 3	Mar. 1
Powell River	.30	Mar. 15	Unstated
	Coup. 21-xc	—	Mar. 14
Pressed Metals	.25	Mar. 1	Feb. 10
Do.	.25	June 1	May 10
Provincial Bk.	.15	Mar. 1	Feb. 15
Purity Flour	.25	Mar. 1	Feb. 10
Que. Power	.25	Feb. 25	Jan. 17
Regent Knit.	.25	Mar. 1	Feb. 15
Do. pfd.	.40	Mar. 1	Feb. 15
Do.	.40	June 1	May 15
Do.	.40	Sept. 1	Aug. 15
Do.	.40	Dec. 1	Nov. 15

Dividends Declared (con'd)

	This payment $	Date payable	Date of record
Remington-Rand ...	†.25	Apr. 1	Feb. 9
Do. pfd.	†1.12½	Apr. 1	Feb. 9
Robinson Little A .	.25	Mar. 1	Feb. 15
Rolland Pap.	1.06½	Mar. 15	Mar. 1
Royal Bank	.25	Mar. 1	Jan. 31
Royalite Oil	.06½	Mar. 1	Feb. 17
Saudi-Arabian M. ..	†.10	Feb. 28	Jan. 20
Scythes	.25	Mar. 1	Feb. 14
Do. pfd.	.31½	Mar. 1	Feb. 14
Sec. Can. Int. Inv.	.15	Mar. 1	Feb. 15
Do. pfd.	.10+.05	Mar. 1	Feb. 15
Shawinigan W. & P.	.30	Feb. 25	Jan. 17
Sherwin-Williams .	.25	May 1	Apr. 10
Do. pfd.	1.75	Apr. 1	Mar. 10
Silverwood's Dairy A	.15	Apr. 1	Feb. 28
Do. B	.10	Apr. 1	Feb. 28
Silverw'ds. W. A. pf.	1.25	Apr. 1	Feb. 28
H. Simon & Sons ..	.30	Mar. 1	Feb. 13
Do. pfd.	1.25	Mar. 1	Feb. 13
Simpsons A & B ...	1.00	Mar. 15	Feb. 15
Do. pfd.	1.12½	Mar. 15	Feb. 15
N. Slater	.45	May 1	Apr. 8
Stand. Chem.	.12½	Mar. 1	Jan. 31
Do. pfd.	1.25	Mar. 1	Jan. 31
Standard Oil, N.J. .	†1.00	Mar. 13	Feb. 9
Stand. Pav.	.50	Apr. 1	Mar. 1
Do. pfd.	.62½+.50	Apr. 1	Mar. 1
Stedman Bros.	.20	Apr. 1	Mar. 15
Stuart Oil pfd.	.20	Mar. 1	Feb. 18
Tay. Pear. & Car. pf.	.12½	Mar. 1	Feb. 17
Tor. Elevators	.15	Mar. 1	Feb. 20
Tri-West Pet.	.02½	Feb. 28	Feb. 10
United Corp. B	.25+‡.50	Feb. 28	Jan. 31
United Fuel A	.75	Apr. 1	Mar. 9
United Steel	.15	Mar. 31	Mar. 17
Do. pfd.	.75	May 1	Apr. 14
Universal Cool. pf.	*1.50	Feb. 15	Feb. 3
Viceroy Mfg.	.20	Mar. 15	Mar. 1
Virginia Dare pf. ...	.31½	Mar. 1	Feb. 17
Waite Amulet	.25	Mar. 10	Feb. 15
H. Walker	.60	Mar. 15	Feb. 17
Wellington Fire	1.75	Feb. 15	Feb. 11
Westeel	.75	Mar. 15	Feb. 24
Geo. Weston	.25	Apr. 1	Mar. 10
Do. pfd.	1.12½	Mar. 1	Feb. 15
Wilsil Ltd.	.25	Apr. 1	Mar. 1

†American funds. *Initial. ‡Extra.

Investment Trust

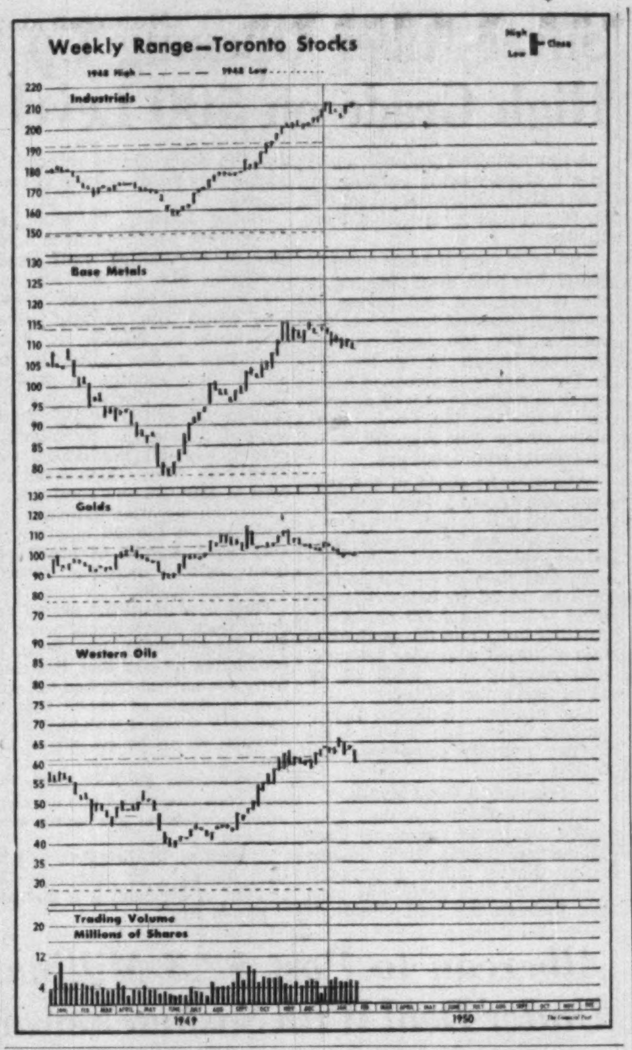
	Bid	Ask.
Affiliated Funds	4.24	4.58
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.95	5.40
Can. Invest. Corp.	8.25	8.75
Corporate Invest.	8.82	9.53
Commonwealth Int.	3.62	3.98
Trans-Canada	14.55	....
Do. B	....	15.25
Leverage Fund	2.67	2.93

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

PROVINCIAL

Province of British Columbia—3% sinking fund debentures, due Dec. 15, 1969, $3,000,000, issued Feb. 1, 1950. Offered at $99 and accrued interest to yield about 3.07%, by Mills, Spence & Co. Ltd., Bell, Gouinlock & Co. Ltd., McLeod, Young, Weir & Co. and McMahon & Burns Ltd.



New Highs and Lows

During the week ended Feb. 11, 53 new highs were recorded among the general stocks on Canadian Stock Exchanges and eight new lows. In the mining group there were eight new highs and 15 new lows. In the western oil group there were two new highs and two new lows.

GENERAL

New Highs—1949-50

Abitibi	Fisher A
Acadia Atlantic A 5% pref.	Gt. Lakes Pap. A p.
Assoc. T. & T. A	Hahn Brass
Bank of N. S.	Hydro-Electric
Brown & Co.	Ind. Accept. (com.)
Do. pref.	Ind. Accept. 5% pf.
Burlington Steel	Int. Paper
Burnett Ltd.	Maritime Tel.
Canada Flooring B	Mtl. Island Pwr.
Canada Fairbank	Mtl. Tram.
Canada Foils A	Mt. Royal Rice
Can. Wire & Cable	Murphy Paint
Candn. Fairb.	Nat. Drug
Candn. Gen. Inv.	Nat. Hosiery A
Candn. Int. I. Tr. p.	Do. B
Candn. Oil 5% pf.	Photo Engravers
Candn. Utilities	Russell Industries
Capital Estates (V.)	St. Law. Corp. 1 pf.
Celtic Knit.	Do. 2nd pfd.
Chem. Research	Steel of Can.
David & Frere A	Do. pfd.
Dom. Malt. pref.	Union Gas
Dom. Oilcloth	United Sec.
Dom. Scottish	Viau Ltd.
Dom. Tar & Chem.	Walker-G.
Dom. Textile pref.	Windsor Hotel
	Zeller's

New Lows—1949-50

Buthurst Pwr. B	Flash Fastener pf.
Brand. Henderson	Freiman pref.
Canada Collieries	Regent Knit.
Candn. Ind. Alc. A	Do. pfd.

MINING

New Highs—1949-50

Anacon Lead	MacL'd-Cockshutt
Aquarius	Mosher Long Lac
Congress	Quemont
Jellicoe	Silver Standard

New Lows—1949-50

Amer. Y'knife	New Jason
Beatrice	Northern Canada
Century Mining	Paymaster
Chesterville	Perron Gold
Coin Lake	Silanco
Cons. Howey	Thompson Lund.
Eldona	Yellorex
La Luz	

OILS

New Highs—1949-50

Foothills	Petrol Oil & Gas

New Lows—1949-50

British Empire	Del Rio

COMPANY REPORTS

SHAWINIGAN WATER & POWER CO. 1949 net profit was off 7.7%. Revenue from power sales rose to a new high record totaling $25,880,023, an increase of $1,087,391. Total operating expenses amounted to $15,478,958, up $959,260.

Income from temporary investments and rentals increased slightly, while dividends from subsidiary and other companies declined. Bond interest was $713,682 higher at $3,694,938 as result of payment of full year's interest on series "P" bonds issued last fall. Provision for depreciation was $100,000 higher.

Demand for power from all types of customers continues to increase and the firm power peak load on the system rose by 4.3% to 1,355,898 hp. Analysis of power sales revenues showed that 59% came from industries, 22% from residential, farm, commercial and municipal customers, and 19% from wholesale suppliers to other utilities and to municipalities for redistribution.

A continued increase in cost of materials and equipment, as well as wage levels, necessitated an application to the Provincial Electricity Board for an interim adjustment of rates applying to residential, farm, commercial, and small power customers. On Dec. 21, the Board issued an interim order allowing part of the increase requested which, the company estimates, will produce additional gross revenue of around $500,000 per year. Balance sheet showed fixed assets up almost $25 millions.

Annual meeting will be held March 15.

INCOME ACCOUNT

Years Ended Dec. 31:	1949 $	1948 $
Power sales	25,880,023	24,792,632
Net earnings	13,066,067	12,772,446
Less: Deprec.	3,600,000	3,500,000
Int. charges	3,694,938	2,981,256
Inc. taxes	1,848,000	2,040,000
Net profit	3,923,129	4,251,190
Less: Pref. divds.	800,000	800,000
Com. divds.	2,613,900	2,613,900
Surplus for year	509,229	837,290
Times Interest Earned:		
Before deprec.	3.54	4.28
After deprec.	2.56	3.11
Earnings per Share and Dividend Record:		
Preferred	$9.81	$10.63
Paid	2.00	2.00
Common	1.20	1.20
Paid	1.20	1.20

CONDENSED GEN. BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$2,941,500	$3,766,635
Investments	12,344,569	22,522,885
Call loans	510,000	1,510,000
Accts. rec.	3,398,195	3,231,527
Total curr. assets.	19,194,264	31,031,047
Misc. assets▴	1,436,235	2,121,119
Unamort. disc., etc.	5,417,110	5,842,486
Movable prop.	3,178,348	3,733,578
Fixed assets	215,042,358	190,425,545
Dep. re add. prop. .	......	8,500,000
Subs. sec., etc.	15,077,934	14,790,991
Total assets	259,346,249	256,444,766
Accts. & tax. pay. .	3,478,099	3,108,081
Bd. int. & div.	1,929,427	1,935,469
Total curr. liab. ..	5,407,526	5,043,550
Adv. re constr.	735,950	......
Funded debt	110,543,500	111,673,500
Conting. res.	1,160,032	1,160,032
Deprec. res.	45,926,630	43,136,833
Capital stock	87,562,997	87,562,997
Surplus	8,009,614	7,867,854
▴Incl. ref. EPT ...	421,307	1,091,074
Working capital ...	13,786,738	25,987,497

BURLINGTON STEEL CO. 1949 net profit was up 14.1%. Sales were largest in company's history, both in tonnage and value. Demand for company products continues to exceed raw materials available, President F. C. O'Brien states.

Capital expenditures during the year of $317,208 are resulting in more efficient operations, it is said. Distribution of company's sales dollar shows 34½c going to cost of rails and scrap; 27½c for wages to mill employees; 20½c for other expenses including power, fuel, supplies, salaries, selling expenses, etc.; 6¼c for income taxes; 7½c on new plant and equipment; 3¼c to dividends to 905 shareholders and ½c retained in business.

A special general meeting of shareholders following annual meeting on Feb. 21, will consider changing location of head-office from Toronto to Hamilton.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Gross profit	$746,260	$609,323
Less: Deprec.	100,000	72,000
Income taxes	262,539	201,000
Net profit	383,721	336,323
Less: Divids.	140,000	119,000
Surplus for year	243,721	217,323
Earnings per Share and Dividend Record:		
Common	$2.74	$2.40
Paid	0.80+0.20	0.80+0.25

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$189,349	$91,034
Accts. rec.	430,142	467,836
Securities‡	387,947	288,629
Life ins., c.s.v.	56,951	52,627
Inventories	813,419	1,001,673
Total curr. assets ..	1,877,808	1,901,799
Fixed assets*	916,140	698,932
Total assets	2,793,948	2,600,731
Total curr. liab.	564,381	564,885
Conting. reserve	25,000	......
Capital stock	940,000	940,000
Distrib. surplus	116,521	116,521
Earned surplus	†1,148,046	†979,325
*After depr. of	1,225,189	1,185,189
‡Market value	405,627	304,500
Working capital	1,313,427	1,336,914

†Reflects trans. of $50,000 to res. for invent. val. in each year, and $25,000 to contingency reserve in 1949.

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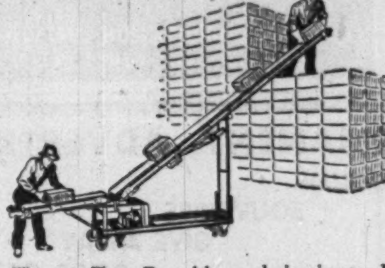

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THE WATERLOO TRUST AND SAVINGS COMPANY
Highlights of 37th Annual Statement Dec. 31, 1949
Capital Account .... $ 2,262,388
Guaranteed Trust Deposits 20,523,562
Guaranteed Trust Receipts 6,584,761
Estates, Trusts & Agencies 13,974,150
Total Business $43,344,861
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Vice-Presidents
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Executive Vice-President
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Silver-Miller Opening Up High Grade on 500 Level

A fine mine and production picture is rapidly being built up by Silver-Miller Mines which placed its 50-ton mill in operation Nov. 1, 1949.

Ore news from the new level at 500 ft. has been most pleasing to the management and serves to materially expand known ore resources. The 500 level heading has been in ore for the last 100 ft. There has been plenty of high-grade in evidence as well as good mill rock. On the 440-ft. level above, there was over 300 ft. of practically continuous ore.

About 30 ft. ahead of the present 500-ft. level face are two diamond-drill holes put down from a section on the 440 level where, values proved extremely rich. One hole showed a section of 8 in. at 32 ft. below the 440 level which ran 5,473 oz. silver. Another hole from the same location returned a similar intersection running over 5,000 oz. at 51 ft. below the 440 level.

Ore has been indicated as extending below the 500-ft. level in two recently completed drill holes.

February a Good Month

All indications are that February will be an extremely good production month. It is understood that a fairly substantial quantity of high grade has been put through the mill circuit so that the silver can be shipped in a relatively small volume of concentrate.

During January, 72,745 oz. of silver were produced from 1,642 tons of ore milled, mill heads averaging 47.8 oz. per ton and mill handling an average of 54.9 tons daily. This brought silver recoveries to 197,037 oz. from 4,927 tons of ore milled for the initial three months of production. Including 70,974 oz. of silver contained in 22 tons of high grade shipped during the three-month period, over-all production was 268,011 oz. from which a net return of $191,089 was received.

Normal operating expenses are estimated at $25,000 monthly. A very good margin of profit has been realized including returns from high grade.

Over 90% of all ore milled has come from development work so far. Development has been so productive of ore that the company has not yet touched the surface stockpile of 12,000 tons of mill rock which it is thought may average 40 to 50 oz. silver per ton.

The former La Rose mine has now been dewatered and development operations are being commenced.

A meeting of directors will be held March 7 to determine the amount of dividend it is planned to pay in April.

Albercan to Post $2.3 Millions Under Deal With Saskatchewan

From Our Own Correspondent

REGINA—A contract has been signed by the Province of Saskatchewan with Albercan Oil Corp., a controlled subsidiary of Pancoastal Oil Co. C. A., which calls for the posting of large work-performance guarantees and assures Albercan that it can continue to hold its full two million acres for a period of three years and six months.

Albercan holds the two million acres, in the western part of Saskatchewan, under a total of nine permits.

Essential terms of the agreement announced by Resources Minister J. H. Brockelbank, are as follows:

The company can hold the full two million acres for a period of three years and nine months — that is until Nov. 25, 1953. During this period the company will deposit with the Department of Natural Resources at six-month intervals sums totaling $2.3 millions. Ten per cent of these sums will be revenue to the Department. Balance of 90% guarantees that satisfactory exploratory work will be done and as the work is completed these funds will be refunded periodically. The program includes extensive drilling as well as geological and geophysical work.

It is provided that the company has the right to surrender any part or all of the areas or to take 21-year leases of any or all of the area at any time while the agreement is in good standing.

The customary Crown reserves are provided; regular royalty rates will apply to all production.

Louvicourt Takes 25% of Oil Deal

A 25% interest has been taken by Louvicourt Goldfield Corp. in an Imperial Oil farmout to A. G. Bailey and associates, a Calgary oil group, comprising 4,454 acres east of Leduc in townships 48 and 49, Range 18 west of the 4th meridian, Vice-president Bryan W. Newkirk informs shareholders.

Bailey-Dodds No. 1 well, in which Louvicourt is a participant, was started Jan. 31 and is now drilling in L.S.D. Section 2 of Township 49, a location where seismograph survey has indicated an important structural feature. Should this well be successful in attaining oil production, acreage would cover up to a further 110 well locations.

Cash on hand is stated to exceed $130,000, accounts receivable and inventory total a further $70,000 while current liabilities are $15,000. Diamond drilling is being continued on the company's property close to El Sol.

Drill'g Planned By Lyndhurst

Finances have been provided for a recommended program of geophysical work and diamond drilling on the property of Lyndhurst Mining Co. in Northern Quebec, President R. J. Jowsey announces.

A magnetometer survey has been completed and an electromagnetic survey is now in progress. Diamond drilling will commence on completion of this work.

The company's holdings in Destor and Poularies townships, about 30 miles north of Noranda, comprise 83 claims aggregating over 3,300 acres and extend for approximately 5½ miles along the geologically favorable formations consisting of acid lavas intruded by syenite, granodiorite, and diabase dykes.

During earlier limited exploration done by former operators over a period of years, copper and silver values were reported both in surface trenching and diamond drilling. A 5-ton shipment from one trench is reported to have run 4.98% copper and 1.6 oz. silver per ton.

In 1948, South Dufault Mines optioned the central portion of the property and drilled 8 diamond drill holes. Seven of these intersected copper values with indicated three separate zones carrying ore grade copper over appreciable widths.

Lyndhurst Mining Company, a Quebec incorporation, has an authorization capital of 3 million shares of $1 par value with a million shares issued for properties. Officers and directors are; R. J. Jowsey, president; H. R. Drummond-Hay, vice-president; H. T. Hurley, secretary-treasurer; C. Glenn Hunter, John G. Porteous, K.C., and E. W. Mockridge, directors.

QUEENSTON GOLD MINES by agreement dated Feb. 7, the Feb. 20 installment of 250,000 shares at 90 cents a share under agreement with Harlake Holdings Ltd., has been converted into an underwriting on 125,000 shares at 90 cents a share, payable Feb. 20 and an option on the same number of shares at the same price, exercisable by April 10.

BI-ORE MINES have added eight claims adjoining their Cobra Lake Copper property, giving them 2¼ miles of length to their property. Trenching has been completed on the new land and the vein is stated to be exposed for the entire length.

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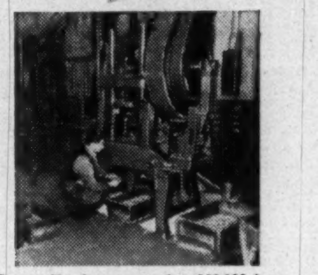
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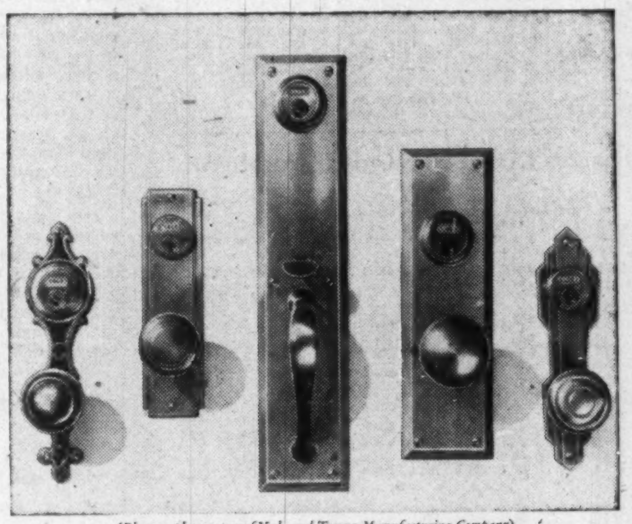
(Photographs courtesy of Yale and Towne Manufacturing Company)

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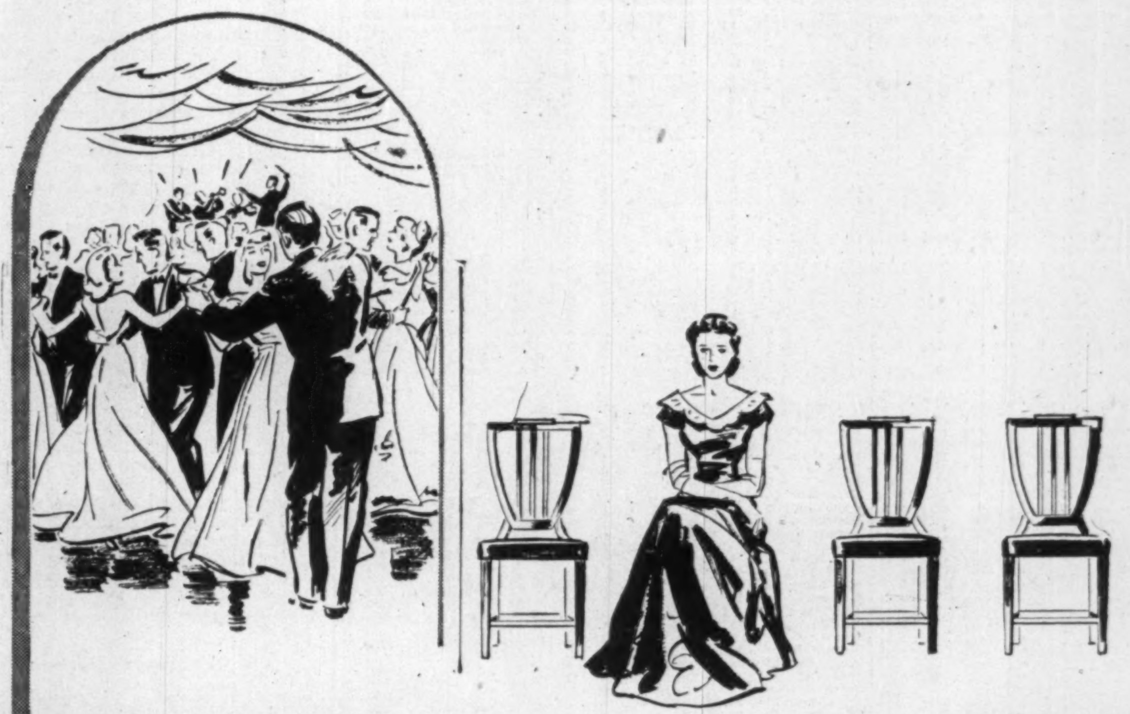

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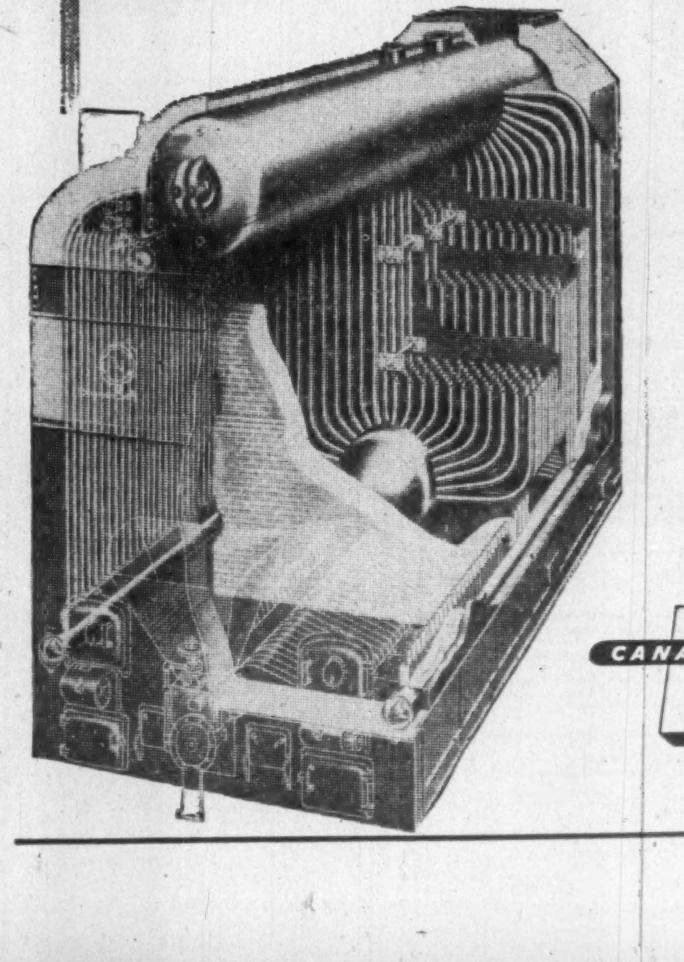

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Porcupine Reef Uncut Value $205 a Ton For 155 ft. Next Hugh-Pam's Boundary

By GORDON M. GRANT

One of the richest strikes of high-grade ore in the Porcupine camp in recent years has added a touch of sensationalism to the northeast sector where the Broulan-Porcupine Reef-Bonetal-Hugh-Pam team has been opening up new ore structures recently.

Drifting west of the diabase dyke at Porcupine Reef has been giving the spectacular new results. The rich new ore has been extended westward close to the Hugh-Pam boundary; and Hugh-Pam stands a good chance of getting a piece of very productive ore zone.

Drifting westward on the 200-ft. level of Porcupine Reef on the west ore body has opened up a length of 340 ft. which averages on face chip or channel samples $105.11 uncut per ton or $16.17 cut grade over drift width of 8.4 ft. and on muck samples $45.82 uncut or $21.56 cut grade. These cut grades are calculated by reducing all high assays to an ounce and all values are based on $38.50 per ounce for gold.

The last 155 ft. opened up averages on face chip samples $205.59 uncut or $40.04 cut grade and on muck samples $85.85 uncut grade and $48.51 cut. The cut grades for this length of 155 ft. are calculated by reducing all high assays to two ounces.

The last face reported continued in high-grade ore at a point within 20 ft. of the Hugh-Pam boundary, President Bert W. Lang reports.

The ore reported represents just the width of the drift. Drilling and slashing will have to be done to determine its full extent.

Obviously it would be possible for Porcupine Reef to extract a very large quantity of gold in a short space of time through treatment of a relatively small tonnage of high-grade ore from the west end of the rich shoot. But the management believes that there is a higher price for gold somewhere along the line and there will be no great hurry to rush all the new ore through the mill. Nevertheless, February and March will both likely see very good production results due to treatment of high-grade development rock from the Porcupine Reef-Hugh-Pam developments.

Porcupine Reef has yet to prepare stopes on its big west ore body which opened up 567 ft. of ore on the 350-ft. level and whose extensions have now been opened on both the 200- and 500-ft. levels. The 300 tons of ore being treated daily is practically all from the section east of the diabase dyke. In this area, even sections which sometimes showed little promise have opened up well in mining. For instance the 800-ft. level was rather on the low side but very good ore was encountered in raising. The 970-ft. level ore results have not been particularly good but mining will likely show a good ore grade, it is thought.

Hugh-Pam Drives West

Hugh-Pam is now extending its 650-ft. level westward along a quartz lead with the odd low gold assay being secured. This heading will be carried about 1,300 ft. westward right over to the Banner Porcupine property which is also to be explored. It is believed that there are excellent chances of finding ore in the old Mulholland shaft area on the western part of Hugh-Pam as well as on the very potential Hugh-Pam ground adjoining Porcupine Reef.

It has been the experience of Porcupine Reef that subsidiary structures seem to carry better values and tonnages than the main break and there are very many places where ore may lurk. Present work is well north of the contact with the sediments. The contact zone and the area north is all likely country for gold mining purposes.

Big Long-Range Plans

Broulan has a long-range program in hand which should place the company in a position to turn out much larger quantities of gold in another year or two. The over-all Reef program will probably take about two years to complete. In the meantime the Reef mine is paying its first dividend of 2c a share, expects to be able to pay further dividends, probably on a half-yearly basis.

At Bonetal, immediate preparation for mining of the fine new ore body opened at the 970-ft. level has been deferred in favor of raising and opening the 800-ft. level and extending the drift to the southeast at the 970-ft. level to open a further indicated ore body. Later, the 800-ft. level will probably be linked with the Porcupine Reef level at this depth. In the meantime, shipments of ore by Bonetal to the Broulan mill from its original workings is defraying most if not all of current development costs. Bonetal showed an operating profit in 1949.

Broulan's current objective is to mill 600 tons daily and this objective is being achieved at present with 300 tons of ore daily drawn from Porcupine Reef, 150 tons a day from Bonetal and 150 tons from the Broulan mine.

Although it looked as if the Broulan mine would be worked out years ago, there is still about a year of ore ahead of the mill. Work is being carried on in the northeast winze area and it appears that a fair tonnage of ore can be counted on in this section. A raise has shown a thickness of good-grade ore in a flat-lying structure.

Broulan and its associates, Bonetal, Porcupine Reef, Hugh-Pam and Banner control a length of four miles in northeast Porcupine. There are undoubtedly some very potent sections for further testing. These include the 3,000 ft. east from the new Bonetal ore, over to the Hallnor boundary; the Porcupine Reef-Hugh-Pam situation which has many further ore possibilities, and the 1¼ miles along strike of the Banner Porcupine property at the west end.

New Dickenson Takes Berens River's Mill

New Dickenson, in its program to lift its mill to 300-400 tons daily, has purchased the jaw crusher, cone crusher, ball mill and accessory equipment of Berens River Mines, according to A. W. White, Jr., president. The New Dickenson mill is currently handling 110 tons daily.

The additional equipment will be delivered shortly and will become operative about May 1, by which time the mine should be geared for higher production. Cash of $13,000 was paid with Berens River having the option of accepting balance of $25,000 within 40 days or taking 50,000 shares of treasury stock. Equipment is reported worth $80,000.

It is proposed to put down a few more drill holes before deciding to extend the shaft. On completion of mill payments, available cash will be enough to cover operating needs, Mr. White added.

Discovery Output Runs $54,000 On 1st Pouring

A bullion recovery of $54,000 is reported at Discovery Yellowknife Gold Mines on the pouring of two initial gold bricks Feb. 10 1950.

The bricks represented returns from treatment of low grade ore the first 12 days of January, treatment of 70 tons of ore a day grading $26.95 a ton the balance of January and seven days of amalgamation in February.

Recovery for January by amalgamation and cyanidation is placed at 96%. It is estimated that 150 oz. of gold is tied up in the circuit. Plans now call for the mill to be worked up to 100 tons daily now that initial results have been satisfactory.

Deepening of the shaft is well under way for the third level at 375 ft. and some of the stopes on the high grade zone are stated to have been above expectations. Stopes are being prepared in the nose of the fold and are showing high grade ore as expected.

Lake Surprise Drills Cut Low Gold Values

On the company's Chibougamau area property, Lake Surprise Mine reports five holes drilled to date have indicated a shear structure which has returned gold values of up to $6.16 over 4 ft. and $5.85 over 3 ft.

F. Joubin, consulting geologist, states that the shearing formed a gentle fold cutting both syenite dyke material and amphibolitized material and contained appreciable gold values in both these rock types.

Drilling has explored a strike length of 200 ft. with both ends open. Besides the shear, a cross-sectioning hole has cut a system of parallel dykes associated with quartz and pyrite mineralization.

Hole No. 1, deepened to 605 ft., under the lake, yielded the $6.16 value, while Hole No. 5, 200 ft. to the east, yielded the $5.85, indicating a zone 200 ft. long open at both ends. To extend the zone, Hole No. 6, 200 ft. west and Hole No. 7, 200 ft. east, of the main zone, are being drilled.

A geophysical survey from the surface of the lake is planned due to indications of gold-bearing structure under water.

Present drilling follows up values obtained during preliminary prospecting, when grab samples taken where the shear disappears under the water at the east side of the point returned values of $52.50 and $9.80.

Set $25,000 Fine For False Return

W. J. Gutterson, former securities salesman, of Forest Hill Toronto, was fined 25,000 and costs or two years by Magistrate Thomas Elmore for falsifying his 1945 income tax return but his solicitor, Senator Salter A. Hayden, has notified an appeal will be lodged.

Gutterson was formerly employed as sales manager of Carlton Securities. According to evidence adduced by Crown counsel Gerard Beaudoin, he received $80,000 during 1945, not all of which was claimed by the Crown to be income.

Gutterson listed his 1945 income as $14,058 and paid a tax of $1,147. The income tax department said Gutterson's income was $46,960 and that his tax should have been $24,199.

A decision on a similar charge concerning a 1944 income tax return is expected to be handed down March 23.

CANADA PACKERS LTD. has declared an extra dividend of 50c per share on the Class "B" stock, payable along with the regular semi-annual dividend of 25c per share on April 1, 1950, to shareholders of record March 1. This is the first extra to be paid on the stock since initial dividend was paid April 21, 1945, and brings total for the year ending March 29, 1950, to $1 per share, compared with 50c per share in the preceding years.

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Barnat 725 Level Work Returns More Rich Ore

Further confirmation of the rich new ore zones of the North National section have been secured by Barnat Mines in work since the first of the year at the 725-ft. level.

There have been two outstanding ore developments: Another of the "up dip" holes has returned an extremely rich ore intersection; and flat drilling on the 725-ft. level has returned impressive ore results a little to the west in what is now believed to be the downward extension of the big "pipe" which has now been outlined up the eastward dip or rake for a total vein height of 880 ft. to well above the 350-ft. level.

A raise put up from the 725-ft. level about midway along the length opened had returned a value of 0.62 oz. over 85 ft. at a vertical height of 55 ft. indicating a possible new structure. At a point to the west and immediately to the east of the west "pipe," a hole was drilled eastward and upward to cut into the section indicated by the raise. This drill hole has returned the impressive value of 0.465 oz. over 128 ft., indicating another possible high grade pipe structure.

There are now at least three of these "pipe" structures indicated down to 725 ft. The north zone itself has an east-west strike; the pipelike ore bodies have a westerly dip or more correctly rake west within this zone as depth is reached.

Holes "Click"

Regular flat-drill holes put out from the 725-ft. level in the apparent downward projection of the main westerly "pipe" have indicated an extensive area of wide ore. Values secured in this drilling, working from east to west, have been 0.215 oz. over 23.7 ft., 0.203 oz. over 23.7 ft. (at close to the same location), 0.308 oz. over 24.5 ft., 0.22 oz. over 32.0 ft., 0.14 oz. over 21.0 ft. and 1.05 oz. over 13.0 ft.

Development headings are being put out into new areas which could easily be productive of important ore news. Both the west and east headings are being extended at the 525-ft. level, representing the first drift work at this horizon since Barnat took over. A greenstone area showing gold values in drilling will be investigated by the west drift at this level. The east drift is getting out into ground beyond any other headings. Drifting is also being carried out to the east at the 1,250-ft. level.

Because there was no rich ore from raising in very rich north zone as in the previous month, production dropped somewhat to $66,845 recovered from 17,415 tons of ore in January as against $96,754 from 17,822 tons of ore a month earlier. There was an operating profit of $820 in January against $20,851 a month earlier. No cost-aid is included in either month.

Reflecting operating profits realized and receipts from cost-aid, there has been a remarkable improvement in balance sheet position, The Financial Post understands. From Aug. 1, 1948, to Oct. 31, 1949, there had been a loss of $332,999 reflecting the very extensive development program carried out. By Dec. 31, 1949, this deficit was reduced to $306,277 and at the end of January this had been further reduced to $225,739, apparently due to a large cost-aid item.

Barnat shows a sound liquid position with well over $330,000 in current assets in the form of cash, bullion, stores and receivables from the Government. Advances by Sladen have been $523,000.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

FROBISHER LTD. expects to have at least four sources of income in 1951: Its Connemara mine now treating 400 tons a day; New Calumet which is expected to continue a steady income producer; and Giant Yellowknife and United Keno, both expected to become dividend-payers next year. So states President Thayer Lindsley in the company's annual report for the year ended Oct. 31, 1949.

A net profit of $172,491, equal to 4 cents a share, was realized by Frobisher in its 1949 fiscal year as against a $201,478 loss the preceding year. Connemara showed a $88,593 profit in 1949 against a $125,062 loss the preceding year.

Chief investment holdings as at Oct. 31, 1949 comprised 853,000 Akaitcho, 1,350,000 Connemara Mines, 1,290,000 Giant Yellowknife, 821,000 United Keno, 454,000 New Calumet, 683,000 Kilembe, 480,000 Guayana, 203,000 Mediterranean Mines Inc. and 585,000 St. Eugene Mining Corp.

Mediterranean Mines has reached the stage of mill construction while diamond drilling and underground work are under way at Kilembe to determine the size of ore bodies now partly revealed.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1949	1948
Divd., int., rec.	$212,657	$6,847
Management fees	......	5,719
Less: Admin. & gen. exp.	60,977	42,301
Interest	10,063	21,724
Res. for depl.	40,000	......
Devaluation loss	16,713	......
Sundry taxes	4,000	......
Net profit of:		
Connemara oper.	88,594	*125,062
Bl. Donald oper.	2,983	*24,957
Net profit & surp.	172,491	*201,478
*Loss or deficit.		
Earned per Share	$0.04	d$0.06
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1949	1948
Cash & bullion	$315,214	$59,609
Accts. rec.	30,679	29,953
Invent. & supplies	234,639	136,374
Total curr. assets	580,532	225,936
Other invests.†	4,475,824	4,180,463
Advances	616,718	454,879
Prep. & def. chgs.	16,484	22,228
Expl. & def. dev.	1,338,320	961,237
Mining props.	365,853	363,776
Bldgs. & equip.*	591,146	512,331
Total assets	7,984,877	6,720,850
Due bank	......	507,422
Accts., etc., pay.	148,722	187,726
Total curr. liab.	148,722	695,148
Res., for depl. on shs.	40,000	......
Capital stock	8,906,257	5,446,257
Less: Deficit	582,786	755,277
Spec., def.	527,316	443,934
*After depr. of	581,275	423,027
†Mkt. value	13,321,979	11,460,254
Working capital‡	431,810	§469,212

‡Not including investments.
§Excess of curr. liabs. over curr. assets.

DULAMA GOLD MINES has received payment for Feb. 4 underwriting of 100,000 shares at 15 cents a share under agreement with Harricana Gold Mine Inc. (1939) and D. W. Gordon "in trust." Issued capital is 3,750,005 shares, leaving 249,995 in treasury.

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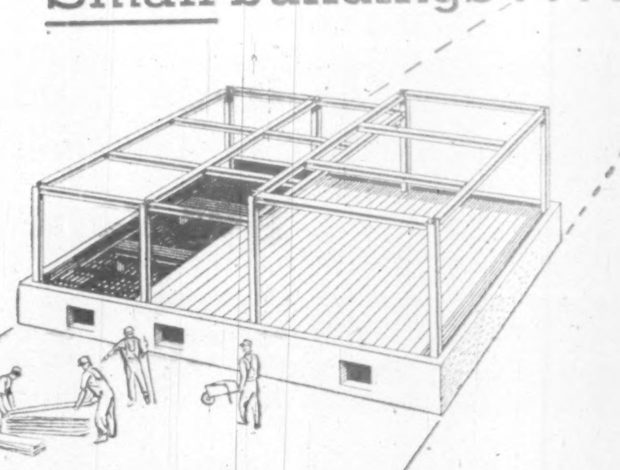

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Source: Canadian Magazine Advertising Summary

A Maclean-Hunter Publication